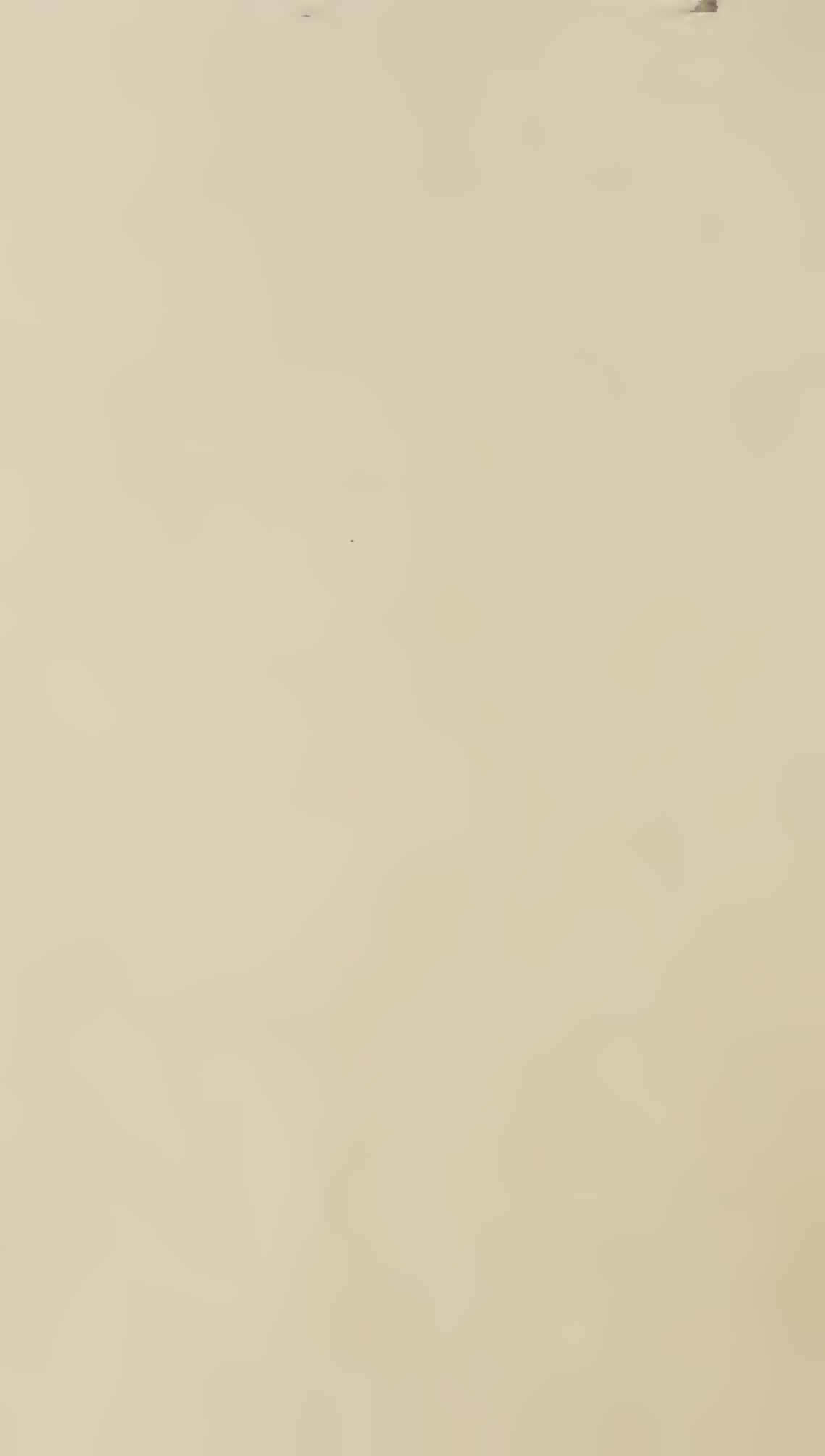


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P-T 270

S. 1621—ADJUSTMENT OF DEBTS
S. 1757—INSPECTION OF AGRICULTURAL COMMODITIES
S. 2098—EXTENSION SERVICE APPROPRIATIONS

HEARINGS
BEFORE THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-FOURTH CONGRESS
FIRST SESSION

JULY 27, 1955

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Serial O



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S. 1621—ADJUSTMENT OF DEBTS

WEDNESDAY, JULY 27, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Present: Representatives Poage, Grant, Gathings, Abernethy, Thompson, Jones, Hagen, Knutson, Jennings, Matthews, Andresen, Hoeven, Dague, Harvey, Lovre, Belcher, McIntire, Williams, King, and Dixon.

Delegate Fernós-Isern.

Mr. POAGE. The committee will please come to order.

I believe we will first take up S. 1621, a copy of which will be placed in the record at this point.

(S. 1621 follows:)

[S. 1621, 84th Cong., 1st sess.]

A BILL To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on projects developed under the Act of August 11, 1939, as amended (16 U. S. C. 590y-z), or similar projects under the water conservation and use item of the Department of the Interior Appropriation Act, 1940, as amended (53 Stat. 719), of the type incurred in accordance with section 5 of said Act (16 U. S. C. 590z-3), or other obligations to or administered by the Secretary of Agriculture incurred in connection with the development or operation of the project unit, and the Secretary is authorized to make such additional adjustments in the terms and conditions and amounts of any such obligations of such persons or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations.

[S. Rept. No. 1042, 84th Cong., 1st sess.]

ADJUSTMENT OF DEBTS

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes, having considered the same, report thereon with a recommendation that it do pass without amendment.

S. 1621 would authorize the Secretary of Agriculture to compromise and adjust debts of settlers on water conservation and utilization projects developed under the Wheeler Case Act, as amended. This authority is already being exercised by the Secretary with respect to loans for land purchase or improvement made under the Bankhead-Jones Farm Tenant Act. As noted in the report below from the Department of Agriculture, the financial difficulties in which some of these settlers find themselves are often not subject to their control. The report from the Department of the Interior is also attached as a part of this report.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., July 1, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 1621, a bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the act of August 11, 1939, as amended, and for other purposes.

We recommend enactment of the bill.

The bill would extend to projects developed under the authorities of the act of August 11, 1939, the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), which sections authorize debtors to be released of liability for their debts under certain conditions. The bill also would authorize the Secretary of Agriculture to make adjustments in the terms, conditions, and amounts of obligations incurred in connection with the development or operation of a project unit, or in the price at which units on such projects are sold to settlers as may be reasonably necessary to permit such settlers to acquire, develop, and establish successful farming operations on their farm units and to pay any adjusted obligations.

The enactment of this bill is desirable in order that worthy farm families may be granted some relief from the problems and difficulties they are confronted with on these project units. For example, on the Angostura project at Hot Springs, S. Dak., settlers are having difficulty because:

1. Seepage is developing from irrigation canals and the application of irrigation water to the extent that the irrigable crop acreage on some farms is being reduced to the point that a family cannot be reasonably expected to succeed.

2. Due to the semiarid nature of the area and the sandy texture of much of the soil, there is a lack of humus and organic matter. Under such conditions, some farmers cannot obtain profitable yields until the soil has been developed with fertilizers, legumes, green-manure crops, and good tillage practices. The removal of topsoil in land-leveling operations has been an additional cause of low crop yields for the first years of occupancy. For these reasons, many settlers, have lost money on their farming operations during the first years of their occupancy of the units and will fail unless afforded further opportunities to work out of their difficulties.

3. Since the majority of these settlers are young veterans with limited resources, the problem is intensified as they have not been able to provide sufficient funds to supplement the amounts which could be loaned to them under existing authorities of the Farmers' Home Administration to adequately develop their farms. They also have been unable to obtain necessary buildings, particularly livestock shelter, fences, and, in some instances, a habitable dwelling.

The enactment of this bill will not result in additional administrative costs as its administration will be absorbed.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., July 19, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR ELLENDER: A report has been requested from this Department on S. 1621, a bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers of projects developed or subject to the act of August 11, 1939, as amended, and for other purposes.

If enacted, S. 1621 would extend certain provisions of the Bankhead-Jones Farm Tenant Act, as amended, to projects developed under the Wheeler-Case Act (54 Stat. 1119, 16 U. S. C., secs. 590y-z) and the Interior Department Appropriation Act (53 Stat. 685, 719). Under these acts, there is a division of authority between this Department and the Department of Agriculture, this

Department being responsible (to put the matter in general terms) for the engineering aspects of the projects and for negotiation and administration of contracts with organizations of water users for repayment of the reimbursable costs of the project works and the Department of Agriculture being responsible for the land settlement program, the disposition of lands to settlers, and Federal assistance to the settlers by way of loans and the like.

The portions of the Bankhead-Jones Act which would be extended are those which provide for (1) compromising and adjusting claims and modifying the terms of mortgages, leases, contracts, and agreements, (2) expediting the liquidation of projects by the sale of lands, by making loans for the improvement of lands and repair of property, and by disposing of public facilities, and (3) the purchase by the Secretary of Agriculture of foreclosed property, the operation and ultimate disposition of such property, and making advances to preserve the Government's security, liens, and priorities on loans. The operation of the extensions of authority proposed by S. 1621 is expressly limited to those obligations of settlers which run to or are administered by the Secretary of Agriculture. Enactment of the bill would also authorize the Secretary of Agriculture "to make such additional adjustments in the terms and conditions and amounts of any such obligations * * * or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations."

It appears, from this review of the contents of S. 1621, that its enactment will affect only operations of the Department of Agriculture and that it will not affect repayment obligations of contracting organizations which are administered by the Department of the Interior. In view of this we offer no comment on the bill and advise you that we would have no objection to enactment of the bill.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

The following provisions would be extended to the obligations of settlers on projects developed under the Wheeler-Case Act, as amended, to the Secretary of Agriculture.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

SECTION 41 (7 U. S. C. 1015)

* * * * *

"(g) Compromise or adjust claims and adjust and modify the terms of mortgages, leases, contracts and agreements entered into or administered pursuant to sections 1001-1005d, 1007, and 1008-1029 of this title as circumstances may require, in the following manner:

"(1) Compromise of claims of \$10,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General, pursuant to the provisions of section 194 of Title 31;

"(2) Claims of less than \$10,000 may be compromised or may be adjusted or reduced on the basis of a reasonable determination by the Secretary of the debtor's ability to pay and the value of the security and with or without the payment of any consideration at the time of such adjustment; releases from personal liability may also be made with or without the payment of any consideration at the time of adjustment of—

"(A) Borrowers who have transferred their farms to other approved applicants under agreements assuming the outstanding indebtedness to the Secretary under sections 1014-1029 of this title; and

"(B) Borrowers who have transferred their farms to other approved applicants under agreements assuming that portion of their outstanding indebtedness to the Secretary which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(C) No compromise or adjustment shall be made upon terms more favorable than recommended by the appropriate County Committee established pursuant to section 1016 of this title;

"(3) Any claim of \$100 or less, which has been due and payable for three years or more, and where the debtor has no assets from which the claim could be collected or is deceased and has left no estate, or has been absent from his last known address for a period of at least two years and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the employee of the Administration having charge of the claim: *Provided*, That claims of \$10 or less may be canceled and released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

"(4) At the end of each fiscal year the Secretary shall report to Congress the names of all persons against whom claims in excess of \$1,000 have been compromised, the address of such person, the nature of the claim, the amount of the compromise, and the reason therefor."

* * * * *

SECTION 43 (7 U. S. C. 1017)

* * * * *

"The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to sections 431-434 of Title 40, as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of sections 1001-1006 of this title, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of sections 1001-1006 of this title."

* * * * *

SECTION 51 (7 U. S. C. 1025)

"SEC. 51. The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this Act, the Act of August 14, 1946, the Act of April 6, 1949, the Act of August 28, 1937, or the item "Loans to Farmers, 1948, Flood Damage" in the Act of June 25, 1948, as those Acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act."

STATEMENTS OF R. B. McLEAISH, ADMINISTRATOR, FARMERS' HOME ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY HENRY C. SMITH, DEPUTY ADMINISTRATOR, FARMERS' HOME ADMINISTRATION; AND JOSEPH C. YORK, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. McLEAISH. Mr. Chairman, the Department reported favorably on S. 1621 to the Senate committee. The bill is intended to afford some relief to farmers who have acquired units on soil and water conservation projects developed under or subject to the act of August 11, 1939. There are several of these projects throughout the Midwest, but the Angostura project at Hot Springs, S. Dak., represents the most typical example of the need for this legislation.

Settlers acquiring farms on this project from the Soil Conservation Service have had difficulty with seepage developing from irrigation canals and the actual application of the irrigation water, which has acted to reduce the irrigable crop acreage below the acreage needed to successfully farm the unit and pay off the indebtedness. Some of the units on the Angostura project are not fully developed. The settlers need land development in the form of fertilizers, legumes, and other good soil-building practices. Also, some settlers have not completed the building development of their units and require loans from Farmers' Home Administration for this development work. The Farmers' Home Administration is unable to assist most of these settlers because the amount of the loan needed by the applicant plus the existing indebtedness is in excess of the appraised value of the farm unit.

S. 1621 would permit the scaling down of the indebtedness of these settlers through authorities contained in the Bankhead-Jones Farm Tenant Act so that the settler could be reasonably expected to establish successful farming operations on the farm unit and pay the adjusted indebtedness. The bill would make it possible to release a present settler from liability who may transfer his farm to another individual. The bill would also permit the future sale of units of these projects at reduced prices as may be necessary to permit the settler to establish successful farming operations on the unit and repay his obligations.

Staff members of the Farmers' Home Administration from the State offices and from the National office have investigated thoroughly the situation of settlers on these projects and have established quite conclusively the need for assisting these settlers if they are to succeed. Under an agreement with the Soil Conservation Service, the Farmers' Home Administration has been servicing the sales contracts of these units which have been sold and this bill would permit us to adjust the amount of these contracts as necessary to bring the amount of the remaining indebtedness into line with the anticipated ability of the settler to pay. Our investigation indicates that the immediate need for this legislation is principally confined to the Angostura project in South Dakota, and to the Buffalo Rapids project in Montana.

Mr. POAGE. What you are telling us is that this bill provides that the Government can waive part of a contract price and take less than they agreed to. Is that right?

Mr. McLEAISH. That is about it.

Mr. POAGE. Just so we understand it.

Mr. McLEAISH. The Government would reduce the purchase price of the land. In other words, as an illustration, here is a piece of land that appraises at \$18,000. \$8,000 was allowed for development which was not enough and then the land was sold at \$10,000. The actual amount of money required for buildings, the home, farm buildings, and fencing, et cetera, would amount to \$12,000 or \$13,000, which would get the indebtedness on the land beyond our ability to lend it.

Mr. ANDRESEN. What would be your maximum loan?

Mr. McLEAISH. We can't lend more than the long-term appraised value of the land.

Mr. ANDRESEN. What will it be after this bill passes?

Mr. McLEAISH. Some of these land contracts would be scaled down.

Mr. ANDRESEN. Who would take the loss?

Mr. McLEAISH. The Government would take the loss.

Mr. ANDRESEN. Do you think it is advisable to start people in farming when it is sure to be a loss?

Mr. McLEAISH. The idea here, the question is whether at the outset they were charged too much for the land.

Mr. ANDRESEN. The land was worthless when they bought it, wasn't it?

Mr. McLEAISH. That is a question of judgment.

Mr. POAGE. Who fixed those values when they bought it?

Mr. McLEAISH. They were fixed by the Soil Conservation Service. In other words, the Soil Conservation Service actually sold the land and then turned the notes over to Farmers' Home Administration to collect.

Mr. POAGE. Is this some of that land that was purchased as marginal land?

Mr. McLEAISH. The Case-Wheeler project. Do you know the background of that?

Mr. YORK. It was not part of the submarginal-land-purchase program. It was a Bureau of Reclamation, Soil Conservation Service combined developed under what is known as the Case-Wheeler Act.

Mr. McLEAISH. I would like to explain Mr. York has made a number of trips to these projects and we have him here to answer detailed questions.

Mr. POAGE. We would like to have him answer questions because I do not know the background of this land and I doubt that many of the members of the committee do, and we ought to understand who put these inflated values on this land and why they put them on.

Mr. YORK. The farms have been appraised by the Soil Conservation Service on the basis of their long-time earning capacity. Then the Wheeler-Case Act provided that they needed to recover a certain proportion of the development costs. It is my understanding that they looked at the appraised value and what they had to recover and sort of bargained and said, "well, now, we need to recover so much money from this project in order to meet the requirements of the Case-Wheeler Act. That will allow about \$8,000 for development and we think most of these folks can put the buildings and fences and wells that they need on their farms for about \$8,000."

Mr. POAGE. You are talking about a quarter section?

Mr. YORK. It is variable acreage, mostly an average of 127 acres.

Mr. POAGE. You try to make it come out \$8,000 regardless of acreage?

Mr. YORK. The farms would appraise at \$10,000, we will say. Then they said if we allow \$8,000 for the cost of further development, buildings, fences, and wells, we will sell the farm for \$10,000. Now the place where I understand that the Soil Conservation Service was in the squeeze was the fact that the act required them to recover a certain amount from the project and in order to do that they sort of compromised on this issue of about \$8,000.

At the time they would be doing that our engineer advised them that \$8,000 was not sufficient to put the farms in full development but they went ahead and sold, for example, a farm as Mr. McLeaish said, for \$10,000.

Mr. POAGE. This land didn't have any irrigation on it when the Soil Conservation Service came in possession, did it?

Mr. McLEAISH. The Bureau of Reclamation had developed irrigation projects.

Mr. POAGE. The Reclamation Bureau owned it?

Mr. McLEAISH. The Reclamation was on the land and Soil Conservation leveled the land off and cleared it of brush and things like that.

Mr. POAGE. They did not have irrigation on it before the land was leveled, surely. They weren't sprinkling it, were they?

Mr. YORK. It was a joint operation. While the Bureau was building the land and canals, the Soil Conservation was leveling the land and getting units ready for sale.

Mr. POAGE. Was Soil Conservation spending Government money to level land? From what source did they get that money? The Soil Conservation, generally speaking, is not an action agency. It is an agency to instruct the farmer. Where did they get the money to level the land?

Mr. YORK. I can't tell you the detail on that, the exact background. The Soil Conservation Service had the money for it, they still have some money for it. Whether that is a carry-over from appropriations made back pursuant to this Case-Wheeler Act, I don't know. The Case-Wheeler Act was passed and some of these projects were started under the Farm Security Administration and transferred from Farm Security to Soil Conservation Service about 1945 or 1946, somewhere in there.

Mr. POAGE. You say some of them were. Did they all start with Farm Security or did some of them start after 1945?

Mr. YORK. Some of them started after that.

Mr. POAGE. That was under authority of the Case-Wheeler Act.

Mr. YORK. That is right.

Mr. POAGE. That act put up money for the Soil Conservation Service to use to level this land?

Mr. YORK. That is my understanding.

Mr. POAGE. Did that act also put up the money for the Bureau of Reclamation to build the dam?

Mr. YORK. I presume the Bureau of Reclamation appropriation came through the regular Department of the Interior appropriation, but I couldn't say.

Mr. POAGE. The dams weren't built under the terms of the Reclamation Act surely. The dams were built under some special act, were they not?

Mr. YORK. I think that is right.

Mr. KING. What is the location of this project?

Mr. POAGE. I understand there are a number of these projects.

Mr. McLEAISH. One in South Dakota and one in Wyoming which has not reached the state of selling off the land yet, and this bill would correct sales of those tracts.

Mr. POAGE. As I understand it, then, the next problem was that Soil Conservation put so much money into the leveling of this land that the cost got so high that they had too much cost in there to make these things actually an economical unit, but sold them nevertheless.

Mr. McLEAISH. The way I understand that happened when the Case-Wheeler Act was passed, it was contemplated that WPA or

Civilian Conservation Corps labor would be used, which would be low-priced labor, and then the war came along and it was necessary to use high-priced labor on the deal.

Mr. POAGE. Regardless of the cost, that went into this thing, I understand it was twice what it was originally contemplated, they went ahead and sold these places to farmers on the theory that they could still pay them out. Is that right?

Mr. McLEAISH. That is correct.

Mr. POAGE. And sold it to them at a lot more than any farmer could ever pay out.

Mr. McLEAISH. That is right.

Mr. POAGE. That sounds like a typical reclamation project to me, doesn't sound any different from the rest of the reclamation projects.

Mr. ANDRESEN. Was this some of the land purchased in the thirties for a dollar or two an acre?

Mr. YORK. No, sir. This was land which was acquired just purely and simply for this reclamation project.

Mr. POAGE. Do you know anything about the cost of this land to the Government in its raw state?

Mr. YORK. I don't know that.

Mr. POAGE. Do you know anything about the average cost of the improvements on it, that the Government put there?

Mr. McLEAISH. We don't have those figures, either.

Mr. POAGE. As a matter of fact, hasn't the Government pretty well taken a licking all the way around on this stuff? Didn't the land cost too much in the first place; haven't the improvements cost too much and haven't they burdened the farmer with too much indebtedness?

Mr. McLEAISH. I wouldn't disagree with any of those statements.

Mr. POAGE. It seems clear.

Mr. KING. Is this land that you figure we might grow potatoes on now?

Mr. McLEAISH. I don't think there are any potatoes contemplated for this land.

Mr. KING. It will grow potatoes, won't it?

Mr. McLEAISH. I haven't heard any reports that it would. I think they are contemplating alfalfa and sugar beets.

Mr. KING. We should loan some money to grow potatoes somewhere.

Mr. BERRY. Senator Case, who has had a great interest in this project from the beginning, is here. I wonder if it might not be a good idea at this time to let Senator Case give you a brief talk.

Mr. POAGE. I am sure we all want to hear from Senator Case, and Mr. McLeaish has another comment which will only take a minute.

Mr. McLEAISH. Mr. Chairman, I would like to add that I have checked since this statement was written and all these settlers we are talking about here are veterans.

Mr. POAGE. How did they come to all be veterans if this thing started a good many years ago before we had anything except World War I veterans?

Senator CASE. I can answer that question very easily.

Mr. POAGE. Thank you so much, Mr. McLeaish, and we will be glad to hear from Senator Case, who was the author of the original bill.

**STATEMENT OF HON. FRANCIS CASE, A UNITED STATES SENATOR
FROM THE STATE OF SOUTH DAKOTA**

Senator CASE. Mr. Chairman, and members of the committee, first let me say it is a privilege to come over here and be in the atmosphere of the House again.

Mr. POAGE. We are always glad to have you.

Senator CASE. This bill grows out of the projects that were started under the Water Conservation and Utilization Act of 1939. In the latter days of WPA and CCC a movement was started to make the work that was accomplished under those programs productive in the northern Great Plains and instead of assigning men to leaf-raking jobs to give them work on something that would tend to relieve the drought conditions that were affecting the northern Great Plains during the thirties.

Senator Wheeler of Montana and I joined in sponsoring legislation which became more or less known as the Wheeler-Case program or project, and there were four of those projects started, one in Mirage Flats, Nebr., Buffalo Rapids, Mont., Eden Valley, Wyo., and Angostura, S. Dak.

At the time the projects were authorized the work to be done so far as it could be was to be WPA labor or CCC labor that was assigned to them, so they would have something useful to do instead of being given a grant under the old farm security program.

The project in South Dakota known as the Angostura project, under that the Department purchased the land that was to be rehabilitated with some irrigation. There is in this project 12,000 acres to be irrigated. It was shrunk a great deal from the original conception of an irrigation project in that area because they took what was supposed to be the best of the land, moved in some equipment for leveling the land, planned to put in three CCC projects or camps to construct the dam, and then the war broke out.

So the Government carried the ownership of the land through the war period. Some work was done by the Department of Agriculture in addition to buying the land at that time, but not too much.

Most of the land leveling equipment I think was stored or some of it was moved out.

The dam was not constructed until after the war was over and at that time it was picked up and put into the Missouri River comprehensive program, the Angostura Dam was built as one of the projects in the total Missouri River program.

Mr. POAGE. Did the engineers build it?

Senator CASE. The Bureau of Reclamation built the dam. The program at the time it was started had a great deal of attention because it was a program to have the Department of Agriculture and the Department of the Interior and the Bureau of Reclamation work together with the Bureau of Reclamation and the Department of the Interior furnishing the construction of the dam and supervising the irrigation end of it, the Department of Agriculture through the Soil Conservation Service and through its financing agencies were to handle the agricultural phases of it.

The interruption of the war of course upset the original concept.

When the war was over then and the dam was built, it was the first dam actually built in the total Missouri River program, the Angostura

Dam was the first project started under the flood control authorization for the Missouri program.

There were then no CCC camps, no WPA labor, and no settlers to be relocated. The thirties were passed. We were in a new era agriculturally and rainwise as well. It was thought then the appropriate people to use for settlers on the project should be veterans. So the total number of units, and these units run from 80 to about 110 acres or something like that, were made available for sale to veterans on not exactly a drawing basis, but a veteran who wanted to buy one of these tracts of land was permitted to file an application, a board was set up consisting of representatives of the Soil Conservation service, the county agent, the Bureau of Reclamation, the Farmers' Home Administration to select among these veterans who applied a settler to go on one of these units.

I am not sure that this same pattern was followed on Mirage Flats; Buffalo Rapids was started earlier; I am not sure the same pattern was followed on Eden Valley, but to the extent that any units remained to be sold, I think it was.

As I look back at it now, I say this in all fairness and charity to all concerned, possibly there were too many cooks in there dealing with this one batch of broth, so to speak, because you had the Bureau of Reclamation fixing the water charges for the service of the water and for the repayment of the cost of constructing the dam. You had the Farmers Home Administration financing the settlers over and above the money they brought in. Most of the GI's used their GI rights to get money to make their down payment on the land and to start, if they could, with their equipment and the buildings. This became practically virgin land. Whatever shacks or buildings that might have been there were removed, new houses were constructed unless the settler wanted to move in some house that he bought and develop it that way.

The land was leveled for irrigation purposes. The leveling resulted in destroying the fertility of the soil for a time as it does on land where you have some unevenness of the land. That is, the topsoil was scraped off to fill up the little low spots so that the land would be leveled and ready for irrigation. That resulted in some cases of taking the humus, the soil with humus in it, and putting it into the low spots so that for the first few years of the project the settlers will be engaged in a program of developing soil fertility either by using fertilizer or by——

Mr. POAGE. Is that not true in any of the reclamation projects?

Senator CASE. It is true in most reclamation projects, but the difference is where a project is developed by the Bureau of Reclamation they have a development period and they don't start the repayment period, I think they have a 10-year development period, Mr. Dominy is here and can tell you about that. They have a 10-year development period in which these little problems of adjustment these units are worked out. But here you had transfer to the Farmers' Home Administration of the financing with the settlers obligated to start making their payments back the very first year they got on the lands when they had to complete their house and barn and plow the first furrow and get the land under cultivation so you had a financial burden upon them in repayment obligations the first year that is not true of ordinary reclamation projects.

The result is that on a few problem units, this does not apply to all, some settlers are doing very well, they had a good crop of alfalfa and a good crop of grain and a good crop of sugar beets, but on some of them they did not, in some cases I suppose that the experience of a farmer might enter into it.

The Cheyenne has a very sandy soil immediately adjacent to the river. As you get further away from the river the soil becomes heavier with more heavy loam in it. They found when they started watering these units that a few of the units nearest the river were so sandy that the water seeped down so rapidly that 1 or 2 of the units became more or less waterlogged. The ground-water table rose so high in one instance that the settler can't get from his house to his barn. It is just a bog between the house and the barn. They are trying to put in some drainage.

It may be in that instance that he ought to be given an opportunity to move further away from the river to select one of the units further away because he ought not to be saddled with what was an engineering failure or a failure in something that nobody could foresee, whatever it may have been.

They have no authority to let him move to another unit. He has his buildings there, house and barn, and he has a bog between house and barn.

In another instance they have to travel about 3 miles and a half to get around a half-mile of road that is impassable because of the excessive seepage that developed in some of the sandier soil near the river.

Mr. POAGE. Who built the irrigation canals?

Senator CASE. The canals were built, the distribution canal was built by the Bureau of Reclamation.

Mr. POAGE. I understand the departmental witnesses to place the blame on the Soil Conservation Service and it may be that is where it belongs, I am not saying it does but I understood you to say the Reclamation Service who has been in business of reclaiming land and building canals actually located the canals.

Senator CASE. The Soil Conservation Service had the responsibility for the land leveling. The Soil Conservation Service is a part of the Department of Agriculture. The Department of Agriculture owned the land. The Bureau of Reclamation responsibility was the construction of the dam, the building of the main canal and the service of water, but not the ditches out on the individual tracts.

Mr. POAGE. I understand that. The seepage is coming from these canals; is it not?

Senator CASE. I don't know that you could generalize to that extent and it does not affect, that particular problem does not affect over 2 or 3 units to a serious degree. But even with them the Farmers' Home Administration has no authority to make any adjustment in the original price put on these farm units or authority to let them turn back the unit they got and let them select another unit.

Mr. POAGE. Is there still a lot of land there that hasn't been sold?

Senator CASE. Yes; about a third of the units have been sold.

Mr. POAGE. What did the Government pay for that land in the beginning?

Senator CASE. I don't know. Mr. McLain was the appraiser for the Department of Agriculture who was in there before the war and made the appraisals and bought the land.

Mr. POAGE. The land was not in cultivation when the Government bought it?

Senator CASE. Some of it was. Some was bought from the county and some from individual farmers. Farmers who were in the area of the project in large part would retain a portion of their holdings and sell a part, because of the desire to limit the irrigation to not over about 80 acres for any one settler.

Mr. POAGE. Does this project provide irrigation water for those farmers who sold parts of their land and who retained part of it?

Senator CASE. Yes; they buy the water. Not all of them did, but some of them did.

Mr. POAGE. In other words, if I had a half section there and I sold the Government 160 acres of it, then not only did I get the price for my 160 acres but I also get irrigation for the 160 retained; is that right?

Senator CASE. If you did you would have to pay for——

Mr. POAGE. I understand I would have to pay for it, but wouldn't most anybody be glad to have irrigation under those circumstances?

Senator CASE. I presume so.

Mr. POAGE. It was a benefit to the people who sold, in other words. They are getting along all right, those people who sold out, we are not trying to bail them out?

Senator CASE. No. In fact, I don't know, I think you might make too much of a generalization. After all, you are only dealing with probably 10 or a dozen problem cases.

Mr. POAGE. The bill just gives the Department unlimited authority?

Senator CASE. It gives the Department exactly the same authority it now has with respect to the farmstead units under the Bankhead-Jones Act. It extends to the problem cases the same authority the Department of Agriculture has for making adjustments under loans of the Bankhead-Jones Farm Tenant Act. That is what the bill does on its face. It refers specifically to the act.

Mr. LOVRE. There are only about 10 or 12 individuals involved?

Senator CASE. There are 3 really serious units based upon the personal contact I had, I was down there at 25 meetings and at those meetings we had representatives of Soil Conservation Service, Bureau of Reclamation, Farmers' Home Administration, the State chiefs of each of those agencies were there. In addition to that at the last meeting Mr. Cogsdale, of the Farmers' Home Administration, Assistant Administrator, was there representing Mr. McLeaish, Mr. Dominy was there representing the Bureau of Reclamation, and Mr. Williams of the Soil Conservation Service.

Last fall I heard about this problem, the Veterans of Foreign Wars were tremendously concerned because 2 or 3 of these veterans on these problem units were connected with the Veterans of Foreign Wars, the State commander of the Veterans of Foreign Wars was interested. I met with the settlers, spent an afternoon there and I said this is a situation where there is an injustice and something should be done, I wrote a 4-page letter on it, I took notes of 30 or 49 settlers there, those doing well and those not doing so well.

The State agencies set up a field team to go in and make a survey. We had a meeting the first of April at which heads of agencies were out there. There has been more money spent in travel to survey and study this than is involved. Also the money I have spent in travel

to survey and study this than is involved. Also the money I have spent and that the agencies have spent in having people go there to look at it.

All they need is the same authority they have under the Bankhead-Jones Farm Tenant Act. Three very serious cases where I think that if something isn't done you are just going to break three veterans, some of the finest young people in the world.

You see these 50 or 75 people that attended these meetings, some were not asking for anything. But a few of them had problem units. It may be 10 or a dozen cases may call for some adjustment in their farm indebtedness.

I don't believe that the actual adjustment will exceed that. I do think that it will be necessary for the Farmers' Home Administration to have a little more authority for giving a larger loan than they do under existing authority if some of the other units are going to have a full set of buildings with some fencing.

One of the problems is fertility. How simple this thing is when you get down to cases. These fellows put in all the money they have got. They have the payments to make. They don't have money to build a woven wire fence so they can run hogs, or sheep, or cattle to hog off their corn, for instance, and get the added fertility that comes from that type of farming where this fertility has been destroyed or disturbed by the land leveling. This isn't a major bill and it isn't a major problem, as far as the Government is concerned, but it is a life and death matter for a very few veterans.

Mr. LOVRE. I want to say, though, the Angostura project is not in my district. I am somewhat familiar with it and there are pathetic cases there that deserve special consideration.

Mr. HOEVEN. Senator Case, I appreciate your particular problem and there are a lot of humanitarian angles. The thing that disturbs me is setting a precedent for like cases throughout the country. I am in sympathy with your objective but I am wondering whether this is good legislation.

Senator CASE. These veterans are not responsible for the imperfections in the project proposed to them or for the units assigned or for the representations made. The Federal Government has that responsibility. That is No. 1. No. 2 is that this is not the precedent. The precedent exists in the principles of the Bankhead-Jones Farm Tenant Act. We are not proposing to establish a precedent here. We are simply saying to give to a few veterans here the same consideration you have given to settlers under the Bankhead Farm Tenant Act all through the South.

Mr. HOEVEN. You agree the same type of relief should be afforded to any similar case throughout the country?

Senator CASE. If the Federal Government has equal responsibility; yes. I don't know whether you have anything exactly on all-fours with this or not. When I say 3 or 4 units, I am thinking of those where there ought to be authority so they could exchange the units and say to this veteran here, "We sold you a lemon." There was some faulty analysis of the soils here. We didn't realize the soils were so porous and that this land would be waterlogged when we put water on it.

We ought to have authority to take that unit back from you and let you take a unit, select a unit farther down away from the river

where you get into the heavier soil. There are not over about 3 or 4 cases like that. There may be a dozen cases where it calls for some debt adjustment. Or for authority to make a larger loan than they can make at the present time.

Mr. POAGE. What this bill provides for is releasing people from their obligations to the United States Government. I never knew of an admission on the part of the Government that it is ever wrong, but it is oftentimes wrong. If we can get an admission that somebody had made a mistake out there it would justify us entirely in saying the Government will trade land. We pass bills all the time allowing transfer of land and we would say the Government was wrong and the Government made a mistake and therefore the Government should rectify its mistake.

I don't understand that is what this bill does. I understand this bill to be an absolute guaranty of anything that anybody buys, buying through or in connection with the Government. You say there is nobody else in this situation. I get 2 or 3 letters a week from veterans who have made loans on homes and they complain that the builder did not do everything—

Senator CASE. That was a private builder and here the builder was the United States Government.

Mr. POAGE. Yes, but the Veterans' Administration is held responsible because the Veterans' Administration inspected that home before the veteran took it and that veteran has been led to believe, as all veterans are led to believe, that anything he touches that the United States Government is going to guarantee and for practical purposes we are guaranteeing those houses. We put a loan on them and the Veterans' Administration will call that builder in and at least argue with him that he hasn't carried out his contract. Of course the veteran never feels there is any responsibility on him to try to get the contract complied with, he feels the responsibility is on the United States Government. I don't object to rectifying mistakes the United States Government has done.

Senator CASE. Here the seller is the Government.

Mr. POAGE. That doesn't make a difference to the veteran. The veteran doesn't feel there is a difference between buying from the Government and the Government guaranteeing the loan. He says when the Government guarantees a loan on his house that the "Government guaranteed I would get a good house." He says "When the Government made the inspection I had a right to rely on that inspection," and pretty largely we are telling these veterans, "If anything happens to you, if your wife has a baby and you have expense in connection with it, the United States Government ought to take care of that because after all, you are the ward of the Government."

Senator CASE. In this instance the Government will take care of itself. You can break those veterans and the Government will get the land back and the Government will take the loss.

Mr. POAGE. I find no fault with the idea of trying to rectify mistakes that have been made but it seems this bill goes beyond that. This bill doesn't say that it will be done only when mistakes are made. This says if he lets the Jimson weeds grow up and he is in bad shape, the Government can relieve him of his indebtedness and let him go on his merry way. I have no objection to correcting these mistakes.

I don't want to blame the Soil Conservation Service or the irrigation service or Reclamation Service or Mr. McLeaish, I am not trying to say somebody is to blame but somebody made a mistake, we all do. The number of mistakes wasn't great, apparently. Let's rectify the mistakes we made but let's don't open the door wide and say any time you want to walk out you are trading with the Government, so it is not binding, nothing is binding when you deal with the Government.

Senator CASE. May I call your attention to the text of the bill. I did not write the bill. The bill was drafted by the departments and concurred in by them to meet this problem, but the bill reads that the provisions of section 41 (g), 43 and 51 of the Bankhead-Jones Farm Tenant Act as amended are hereby extended to apply on the obligations of settlers on projects developed under the act of August 11, 1939.

I don't believe under the Bankhead-Jones Farm Tenant Act that you can make settlements with settlers who let the Jimson weeds grow up, it might be Creeping Jenny in my State, but whatever it might be.

I think the Bankhead-Jones Farm Tenant act provides if you give them benefit of those provisions there has to be good faith. We are not proposing you extend any situation here where bad faith could be recognized. We are only asking that sections of 43, 41 (g) and 53 of the Bankhead-Jones Farm Tenant Act be applied. If they can operate in bad faith, maybe the Bankhead-Jones Farm Tenant Act ought to be amended.

I don't know anything about that. All I am asking is that these people have the same, that the agencies have the same authority for making adjustments that they have under the Bankhead-Jones Farm Tenant Act.

Mr. POAGE. Doesn't line 7 give additional powers:

* * * the Secretary is authorized to make such additional adjustments in the terms and conditions and amounts of any such obligations of such persons or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations.

Isn't that in addition to what the Jones-Bankhead Act provides?

Senator CASE. I would like to have you ask that question of the representatives of the Department. My answer would be I think that was probably necessary because in this instance the Bankhead-Jones Farm Tenant Act might not cover the acquisition of lands in the same manner that this land was acquired, the price at which such project units were acquired and loans made for the purpose. There is a difference between the Government owning the land and putting a price on it and selling it and in making a loan to a veteran for him to go out or any settler to go out and acquire a piece of land that is privately owned.

Mr. THOMPSON. Why doesn't Bankhead-Jones Act apply in this case? The sale was not originally made under that act.

Senator CASE. That is right.

Mr. THOMPSON. Under what act was it made?

Senator CASE. The land was acquired and the whole program conceived under the act of August 11, 1939. Which was the water conservation and utilization act.

Mr. THOMPSON. What I am trying to do is reconcile this with what I know of the Bankhead-Jones farm ownership in our part of the country. In that case there is inspection made by a committee of farmers, ranchers, who live in that area and they say whether the particular tract can be operated profitably.

There isn't any particular——

Senator CASE. Is that where they would go out to buy a farm some private individual owns and the question is whether or not the Government would make a loan to the prospective buyer?

Mr. THOMPSON. That is right.

Senator CASE. So he could go to a private individual and buy the land.

Mr. THOMPSON. That is right.

Senator CASE. The Government was the owner of the land. The Government bought this block of land for this project in this relief program back in the thirties.

Mr. THOMPSON. And a subsequent operation of the Government rendered the land if not untenable, at least unprofitable; is that right?

Senator CASE. Some of the units, a few of the units weren't as good as they thought they were because of this excessive porosity of the soil or because of where the route that the main canal had to follow to get away from the dam, to get away from the river, getting to the heavier soil.

One place the main canal slipped and washed away. They repaired that by putting in a little concrete lining there to get across this sink area but the farmer below there, when the water came in, he also had this excessive sandy soil, excessively sandy soil.

Mr. THOMPSON. That is reflected in the report?

Senator CASE. Yes.

Mr. THOMPSON. I was trying to reconcile it with my own knowledge of the——

Senator CASE. The difference is here the Government owned the land and these private individuals owned the land and the Government inspected the land before making the loan.

Mr. THOMPSON. The Government doesn't inspect it when it is bought in our part of the country. That is neither here nor there. I was trying to bring it into balance with my experience in our own part of the country, where we have never had anything of this kind. In fact, we have never had a man fail to pay out.

Senator CASE. These men don't want to fail. I wish this committee could see the faces of those young veteran farmers and kids there at the meeting. They were a select group of people; they were the cream of a crop of several times the number of settlers that are there who applied for the right to purchase one of these units on the general representation that here was a well-developed project, that you can come and settle down and raise a family after the war and make a real home, and in a few cases you have got a few cases where there could be some tragic personal suffering and if that happens they throw up, you break them, and the Government gets the land back.

Mr. THOMPSON. It all sums up to the fact that the veterans bought a piece of property that was not as they had been led to believe.

Senator CASE. Yes. I wouldn't say it was bad faith on the part of the Government.

Mr. THOMPSON. Call it a mistake.

Senator CASE. An error in judgment or classification of the lands on some of these units.

Mr. THOMPSON. I can certainly understand the propriety of the Government straightening it out.

Mr. HAGEN. I would like to ask the Department witness, What did the Government do on the Matanuska project in Alaska? They are in similar difficulty there?

Mr. SMITH. No, sir; that is not a similar situation to what we have here.

Mr. HAGEN. Were those farmers able to pay out up there?

Mr. SMITH. Yes, sir. Those loans were made by the last Alaska Corp.

Mr. HAGEN. There was no forgiveness of debt?

Mr. SMITH. No, sir.

Mr. HAGEN. I would like to also ask in connection with Government investment.

How much money has the Government invested in the work and leveling the land, and so forth?

Mr. SMITH. You mean per unit or in the total?

Mr. HAGEN. Total.

Mr. SMITH. We do not have those figures here available.

Mr. HAGEN. Was it a sizable sum?

Senator CASE. Yes.

Mr. SMITH. We have with us the loan figures of the Farmers' Home Administration with respect to individual loans that we have made on the project, but we do not have with us the figures with respect to how much the Government has invested in the costs of the dam or in the land leveling by the Soil Conservation Service.

Mr. HAGEN. The point I am trying to make is, if this project doesn't work and is a failure, as might well be if there is a substantial number of people who can't farm, the Government will lose a considerable amount of money.

Senator CASE. Mr. Dominy just tells me the expenditures by the Bureau of Reclamation are in the neighborhood of \$14 million for the dam, canals, and powerplant. There is a powerplant in the dam which is a 1,500-watt powerplant and the power revenues from that, of course, will apply to a part of the cost, but if these farmers aren't able to carry on and pay through the 40 or 50 years they will be paying for water charges, the Government will also have that bill.

Mr. POAGE. How many of these farmers are there, not that are in distress, but how many all told?

Mr. DOMINY. A little over 12,000 acres of lands to be developed for irrigation on the Angostura project and I estimate there would be about 120 farm units.

Mr. POAGE. How many million dollars?

Mr. DOMINY. The dam, laterals, canals, drains, and power plant will run a little over \$14 million.

Mr. POAGE. That does not include the leveling?

Senator CASE. That does not include cost either.

Mr. POAGE. Doesn't include cost of land or leveling?

Mr. DOMINY. No, sir.

Senator CASE. The dam itself is part of the Missouri River total program and I do not know the cost distribution. This now is not

set up as an individual project. Had it been prosecuted as originally proposed, the work of the WPA that would have been applied would not have been reimbursable. In lieu of that I think that part of the cost of this dam is assigned to its flood-control benefits as a unit in the total Missouri River system and some credits are credited to that for stopping silt that would go into the main dams on the main stem of the river.

You would be misleading yourself if you had tried to take the cost of the dam and assign it to the farmers on the project. Some extends to silt prevention for the big dams farther down, some extend to flood control, part will be repaid by the powerplant.

Mr. POAGE. What would you think is a fair estimate of the cost of the lands to the Government up to the present time, the cost of the lands, leveling, putting in the irrigation? How much has the Government invested in the land?

Senator CASE. I don't know. Out of the 120 units a great many of those will have no problem. I had a letter from one man there the other day, the sugar beet production looks as if it would be exceptionally good there. I think the growing season is very good. It is in the southern part of South Dakota.

I see the chairman smile a little bit because I know sugar is a problem.

Mr. POAGE. We have more sugar than we need.

Senator CASE. Sure. After all, you are not dealing with thousands of people here. You are dealing with a little handful of people, veterans, that the Government invited to come in and said here is a nice project with some rosy prospects, here is a chance for you to settle down and make a home after the war.

Mr. POAGE. Maybe we ought to require the Government to register with the Securities and Exchange Commission before they sell this land. Just like Canadian mining stock.

Senator CASE. I hope when the chairman makes one of his too infrequent visits to South Dakota that he will visit the project because he will see some of the finest people starting some of the nicest little homes and he will be impressed, I think, by the probability that given time, this project will pay out and that the Government will not be the loser, provided you give the departmental officials enough discretion to handle these few tight fits that developed in the project.

Mr. POAGE. We don't want to give the impression that we are not interested in trying to work out something for those individuals who have been placed in an unfortunate position as a result of governmental action. I think the committee does want to do something on that. We are concerned that we don't just open the door. We are very much obliged to you.

Mr. LOVRE. As I understand, this bill does not, in your opinion, Senator Case, establish any precedent?

Senator CASE. No; because it isn't intended to establish any precedents. It is merely to give to these settlers where the Government was the seller of the land the same rights that you give where the Government merely loans money for them to buy somebody else's land.

Mr. LOVRE. That being true, would the objective be accomplished if we applied the price of the Bankhead-Jones Act to the Wheeler-Case land without any additions?

Senator CASE. I think you have to refer that question to the people who administer that act.

Mr. SMITH. Congressman, to do a proper job with respect to these project applicants, we would need the language in this proposed bill that has to do with adjustments of the sale price.

Mr. LOVRE. The provisions of the Bankhead-Jones Act would not be sufficient to take care of the needs of the Angostura at the present time.

Mr. SMITH. That is right.

Senator CASE. That seems to be consistent with my layman's opinion because the difference exists because the Government was seller of the land and not merely loaner of the money to buy the land.

Mr. POAGE. If there is nothing further, thank you very much, Senator.

Senator CASE. I enjoy always coming over here and this hearing this morning was very delightful. I appreciate your courtesy.

Mr. POAGE. We have Congressman Berry with us, and we would like to hear from him.

STATEMENT OF HON. E. Y. BERRY, A UNITED STATES REPRESENTATIVE FROM THE STATE OF SOUTH DAKOTA

Mr. BERRY. Mr. Chairman.

Mr. POAGE. We like to get as close to home as possible and would be delighted to have you tell us about it.

Mr. BERRY. Senator Case knows a great deal more about this project—having lived with it all the way through its fairly mature life—than I do, having just come into the picture since last fall when these boys got into trouble. I have a statement here from Senator Mundt, however, that I would ask unanimous consent to have placed into the record at this point.

Mr. POAGE. Without objection it will be included.

(Senator Mundt's prepared statement follows:)

STATEMENT BY SENATOR KARL E. MUNDT OF SOUTH DAKOTA, BEFORE HOUSE COMMITTEE ON AGRICULTURE AND FORESTRY, JULY 27, 1955

Mr. Chairman, I appreciate very sincerely the fact that your committee is taking time during these final busy days of the 1st session of the 84th Congress to take testimony in connection with S. 1621.

As you know, this legislation, sponsored in the Senate by my colleague, Senator Francis Case, would authorize the Secretary of Agriculture to compromise and adjust debts of settlers on water conservation and utilization projects developed under the Wheeler-Case Act. As such, the authority contemplated would not be setting any kind of precedent since similar authority is already being exercised by the Secretary with respect to loans for land purchase or improvements under the Bankhead-Jones Farm Tenant Act.

As a member of the Senate Committee on Agriculture and Forestry I was pleased that this legislation cleared our committee and was favorably acted upon by the Senate as a whole. Passage of S. 1621 is important to the pioneers of a new farming community in my State of South Dakota. Members of this committee have undoubtedly had an opportunity to read the favorable report on this legislation rendered by the Department of Agriculture.

In its report to our Senate Committee on Agriculture and Forestry, the Department of Agriculture listed three conditions facing the young farmers, many of them veterans, on the Angostura project which place the success of the project in real jeopardy. I would like to direct your attention to these three conditions:

(1) Seepage is developing from irrigation canals and the application of water to the extent that the irrigable crop acreage on some farms is being reduced to the point that a family cannot be reasonably expected to succeed.

(2) Due to the semiarid nature of the area and the sandy texture of much of the soil, there is a lack of humus and organic matter. Under such conditions, some farmers cannot obtain profitable yields until the soil has been developed with fertilizers, legumes, green-manure crops, and good tillage operations. The removal of topsoil in land-leveling operations has been an additional cause of low crop yields for the first years of occupancy. For these reasons, many settlers have lost money on their farming operations during the first years of their occupancy of the units and will fail unless afforded further opportunities to work out of their difficulties.

(3) Since the majority of these settlers are young veterans with limited resources, the problem is intensified as they have not been able to provide sufficient funds to supplement the amounts which could be loaned to them under existing authorities of the Farmers' Home Administration to adequately develop their farms. They also have been unable to obtain necessary buildings, particularly livestock shelter, fences, and, in some instances, a habitable dwelling.

The conditions to which the Department has referred have impaired the original value of the farm units located on Angostura project. There is a good chance the investment of time, money, and labor contributed by the Federal Government and by these young farmers can be saved with the result that a prosperous agricultural community will flourish if the Farmers' Home Administration is given the authority contemplated in S. 1621 to make the necessary adjustments.

I hope this committee will act favorably on S. 1621.

Mr. BERRY. These kids out there not only have what they borrowed from Uncle Sam to build these homes, but they have their own money that they have put into it. They have 2 or 3 years of trying to scratch up enough money to keep their families while they have been living on the land. They have that investment in addition to what the Federal Government has in this.

As Senator Case said, some of these men that got some of the land that was scraped off and is not productive are just having a hard time. They are milking a half-dozen cows, doing everything they can to get by.

Here is one of the kids in pretty much distress. His name is H-a-g-e-l-m-a-n. He put \$12,000 of his own money into this farm when he went out there, in a house and in some outbuildings, and the farm has proved to be one of these bad ones. The kid stands to lose not only what McLeish and this program has loaned to him, but he is going to lose his \$12,000 and his 3 or 4 years of dreary, hard work and scraping.

I think by and large from what I have seen of these kids out there they have done a good job, but now this kid, if he could take his buildings and exchange it for one of the other plots, one of the other farms, where it isn't soggy, where the land didn't go sour on him, if these people had authority to do that, that is all we want in this bill, give them a chance to help these kids get established on a piece of land that is productive.

Mr. POAGE. That is not what the bill says. I have to keep coming back as I did with Senator Case. You are talking about something that I think most everybody can go along and agree on. This bill doesn't say anything about exchanging land. This bill says you will write off their indebtedness and tell them you owed Uncle Sam so and so, but you don't owe him any more. That is what this bill says.

Mr. BERRY. I don't assume these men sitting before you have done much of that in the past. They are pretty fair businessmen. We are authorizing them to use their judgment.

You can't write a law that says you can loan John Jones \$12,000 and somebody else \$4,000 because all we are doing is giving these people the discretion.

Mr. POAGE. This bill doesn't say anything about moving a man from down there where the Government has made a mistake up to lands——

Mr. BERRY. Authorized to make additional adjustments in the terms and conditions.

Mr. POAGE. Terms and conditions of his obligation.

Mr. BERRY. That is right.

Mr. POAGE. His obligation isn't to go buy some more land.

Mr. BERRY. No; his obligation is to pay for that piece of soggy land he can't make a living on.

Mr. POAGE. I understand that. That is what you give the people authority to do. I ask Mr. McLeaish if he interprets this bill to give him authority to take the man in the swamp and deed him another piece of land without consideration.

Mr. McLEAISH. We would consider that within the authority but he owes the money on this piece of land here. Unless we can relieve him of that obligation on this piece to move him to the other, if he buys the other piece it will be sold to him at the price it should be sold at.

Mr. POAGE. Under what authority will you sell it to him?

Mr. McLEAISH. Under this authority here. In other words, the Soil Conservation would have the sale of it.

Mr. POAGE. Let's find out about that because I think we ought to know some facts about this thing. I think everybody is assuming a lot and nobody is giving answers about that. What authority do you have to sell the rest of the land?

Mr. SMITH. You are right. This bill does not contain specific language authorizing exchange of units but the same purpose can be accomplished under the terms of this bill in this kind of manner. We find several of these project occupants who have already agreed to certain contracts, stated amounts in the contracts, to pay for units that they have purchased. Now if this bill is enacted we would have authority to enter into an arrangement whereby the farmer would deed that unit back to the Government and would become relieved of liability for the contract purchase price.

Mr. POAGE. Relieved of liability. This bill doesn't give you any authority to pay him anything?

Mr. SMITH. No.

Mr. POAGE. What will he use to pay for the new land?

Mr. SMITH. The Government could enter into a contract with him to buy another unit on the project at a sales price, at a price that he could afford to pay for it and do the development that would be necessary to put it into operable condition.

Mr. POAGE. The Senator told us about a boy with \$12,000 of his money invested in a waterfront farm. You can relieve him of the indebtedness he owes to the United States Government but you can't pay him back the \$12,000?

Mr. SMITH. No.

Mr. POAGE. You can't sell him a new tract of land for nothing. What authority do you have to sell him a new tract of land?

Mr. SMITH. If this bill were enacted we could sell another unit to this farmer at a price——

Mr. POAGE. I am asking you under what authority could you sell it.

Mr. SMITH. There is authority to sell in the Wheeler-Case Act itself.

Mr. POAGE. In the Wheeler-Case Act, and it requires you to charge him enough money to get your investment back, too. Now, if you charge him enough money for the new tract to get the investment back where will he get the money to pay it?

Mr. SMITH. I direct your attention to the latter part of this particular proposed bill which says that adjustments can be made in the sale price of units and under that language we would have authority if this bill were enacted to——

Mr. POAGE. Adjustments to be made in what sales price? I understand that to be sales price of the land you have already sold him.

Mr. SMITH. Plus that to be sold.

Mr. POAGE. Point out the line that involves that.

Mr. SMITH (reading):

or in the price at which project units are sold——

Mr. POAGE. What line is that?

Mr. SMITH. Line 11 on page 2.

Mr. POAGE. All right.

Mr. SMITH (reading):

In the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire development and establish successful farming operations on their farm units and repay such adjusted obligations.

We interpret that language to convey authority to the Department——

Mr. POAGE. Did a lawyer write this bill or did somebody just send it to a stenographer and ask her to write it?

Mr. SMITH. One of the Department attorneys wrote the bill.

Mr. POAGE. Did he mean to say that that is authority to sell lands? I think it is clear that is merely authority to adjust the price on land you have already sold. Now I realize that lawyers can always argue about things, but if they are going to correct these things, why don't we try to write language so we won't have another lawsuit and be before Congress next year? You know if you try to sell that land under this authority you will be right back up here next year.

Mr. SMITH. We don't think so, sir.

Mr. POAGE. I think you will. I don't think you can pass title to the land under this. I don't think the General Accounting Office——

Mr. SMITH. The authority to pass title is vested under the terms of the Case-Wheeler Act.

Mr. POAGE. I understand that and the Case-Wheeler Act in express words requires you to charge enough to get back the Government's investment.

I don't understand that this amends those provisions. It doesn't purport to be an amendment to those provisions. It purports to be something else. I don't think you can amend the Case-Wheeler Act by this kind of a vague reference. This thing is a matter of passing title. This is the thing that goes in your abstract. This is the thing that carries the title from one owner to another. I don't know that

title can ever pass on that kind of a vague wish. Let's write it plainly. I know this thing passed the Senate and nobody paid any attention to it, they never do, but this committee has some responsibility here. We are perfectly willing to try to write you a bill that will do the things you say you want done, but let's put it in language that will do that.

Mr. SMITH. We think this language is sufficient to give the Department authority——

Mr. POAGE. Are you a lawyer?

Mr. SMITH. Yes, sir.

Mr. POAGE. And you are willing to sign a title opinion, if you were practicing law, you are willing to sign an opinion that this passes title?

Mr. SMITH. I think this vests with the Department the authority we need to handle the thing.

Mr. ANDRESEN. I would like to ask you if there is any other area in the United States outside of South Dakota where this law would be applicable.

Mr. SMITH. Yes, sir; there is.

Mr. ANDRESEN. Where?

Mr. SMITH. There are some units in Colorado, Idaho, Montana, Nebraska, North Dakota, Wyoming. The Farmers' Home Administration is now servicing contracts totaling \$2,276,430 growing out of the sales of units in Wheeler-Case projects.

Mr. ANDRESEN. Do you have the same drainage and seepage situation in these areas?

Mr. SMITH. No, sir; we do not. That is my understanding, that the same problem does not exist with respect to seepage.

Mr. ANDRESEN. I would like to get some specific information on the other places. From the way we have the evidence before us now it would seem as though this bill largely applies to a few tracts in South Dakota.

Mr. SMITH. The South Dakota project was used as an example because it does have the seepage problem. It also has the problem of the sales price of the units versus the cost of further development on the units and that also is a problem on some of the other projects.

Mr. ANDRESEN. This is coming up in the last minute here. I haven't had the opportunity to study the evidence submitted to the Senate committee and I think we ought to have some specific illustrations from each area showing the number of people involved in each area. Can you furnish that information to the committee?

Mr. SMITH. Yes, sir; we can furnish that.

Mr. POAGE. Congressman Berry has been interrupted.

Mr. BERRY. I yield to the gentlemen of the committee.

Mr. POAGE. We will be glad to hear anything further.

Mr. BERRY. I don't think I have anything further. I am very anxious that something be done on this if possible at this session. The longer we wait the colder those kids will get this winter.

Mr. POAGE. Why didn't it come to us earlier in the session?

Mr. BERRY. You will notice that the bill was only introduced a short time ago because, we have been trying to work this thing out. As Senator Case said, he made a trip out there, I thought it was in April, but possibly it was in March. I think probably these gentlemen have been in my office and Senator Case's office a dozen times. We thought we could work this out administratively. It couldn't be

done. We have come here asking for this amendment so that we could take care of them.

Mr. POAGE. I want you to know we understand that problem and we appreciate your trying to do it before coming in, but I am sure you understand the problem that confronts us here in the last days of the session trying to pass on a thing upon which there is obviously so little information.

We want to know how much the land costs, how many people and how many projects where they are, why they are in the shape they are in. We have been given information about your project but I think the Department will admit they are not giving us information about these other projects and we have no idea where we are going. We are reaching out in the dark. We see these 4 or 5 people in South Dakota but don't know what sort of precipice we are going to step over in the rest of the Nation.

Mr. BERRY. I would say the whole thing is a bungled up thing, started under WPA, shifted over to something else and then something else and we have it in our laps.

Mr. POAGE. We have it in the same shape we have had it from the very beginning. If it was bungled in the beginning, it is still bungled, is a bungled mess right now.

We don't like to put our approval on that sort of thing and send it out.

Mr. HOEVEN. Mr. Berry, you made reference to the fact that this bill was introduced April 1, and I note it was reported in the Senate on July 20, 1950. It was pending in the Senate committee for over 3 months. Were any hearings held in the Senate?

Mr. BERRY. I can't tell you. I assume there were hearings on it.

Mr. HOEVEN. I don't know whether the assumption is warranted because, as the chairman says, the Senate passes out bills without much provocation. I am wondering if there is a record of hearings in the Senate that might be available.

Mr. SMITH. I don't know, sir. We did not appear before the Senate committee. I don't know if they had a meeting.

Mr. HOEVEN. Mr. McLeaish, did you appear before the Senate committee?

Mr. McLEAISH. No, sir.

Mr. LOVRE. Off the record.

Mr. POAGE. How many people will you foreclose between now and January?

Mr. McLEAISH. As far as production money, Mr. York made a close study of it, some of these people have borrowed about all they can borrow from the standpoint of production. There is imminent danger for some of them at present.

Mr. YORK. That is right. I believe 17 or 18 of these settlers have already borrowed over \$7,000 for operating credit and our limit is \$10,000. If those folks do not have a good year this year, they will be in trouble before another year roll arounds. Another thing I would like for you to consider is as far as the January proposition is concerned, that if a man doesn't make a go of it, doesn't see he is going to get some relief, as Congressman Berry pointed out, they without our foreclosing some of these will become discouraged and leave at the end of this year.

Mr. HAGEN. The chairman placed great emphasis on some kind of trading transaction but actually isn't it reasonable to assume that this

fellow getting seepage on his land, if he was permitted to reduce his debt obligation or otherwise become eligible to borrow money from some source, isn't it reasonable to assume he could correct part of that seepage condition himself, rather than moving off the land and acquiring another parcel?

Mr. McLEAISH. I come from an irrigated area and seepage can be corrected but in our area in Texas it takes a long period of years to correct the damage of seepage. It requires underground drainage usually to carry off that water and keep carrying it off.

Mr. HAGEN. What actually do you contemplate for these few farms, that efforts will be made to correct these conditions or that they will move off? What action do you contemplate?

Mr. McLEAISH. I think that in some of the cases where the seepage damage isn't too great, they could put in underground drainage or correct seepage by drainage of some sort and save part of the land.

In other cases the man will probably have to move away from the land entirely, move on to another piece of land.

Mr. HAGEN. What would be done in the majority of cases of this type? You don't contemplate a mass exodus to other pieces of land?

Mr. McLEAISH. The seepage problem applies to only 3 or 4. There are 17 or 18 where the land value probably arises. In other words, the land cost plus the cost of improving the property is in excess of what we could afford to lend them.

Mr. HAGEN. In other words, if you could give him a cheaper farming operation, he could make a go of it.

Mr. McLEAISH. Right.

Mr. POAGE. Any further questions?

Mr. LOVRE. Could Mr. Dominy of the Bureau of Reclamation shed any light on this?

Mr. POAGE. It seems we will have to shed all this light in January anyhow and we have two more bills.

STATEMENT OF FLOYD E. DOMINY, CHIEF OF THE DIVISION OF IRRIGATION, BUREAU OF RECLAMATION

Mr. DOMINY. Floyd E. Dominy, Chief of the Division of Irrigation, Bureau of Reclamation.

There are 16 WCU projects that were built under this special act in cooperation with the Bureau of Reclamation and the Department of Agriculture. All but two of those have been developed and settled, most of them immediately prior to the war years, a few immediately after the war years. The two that are still in settlement and development are the Angostura project in South Dakota and the Eden project in Wyoming.

Mr. POAGE. Then this plea that these are veterans applies only to these two projects?

Mr. DOMINY. There are veteran settlers on a good many of the projects, but to a 100 percent degree on the new lands only on the Eden and Angostura.

In other words, there are a lot of World War veterans who have farms on the other projects. A number of them like the Mirage Flats.

Mr. POAGE. Now, how did the other World War I veterans get there?

Mr. DOMINY. By application and purchase.

Mr. POAGE. Under the Jones-Bankhead Act you have got to have these fellows screened by a local committee and down in my country they turn down any old man who applies. I have seen them turn down a lot of fellows who were not as old as I am. They say they have to have a young family on these farms. Those World War I veterans weren't young back in 1940.

Mr. DOMINY. The point I want to make is for all practical purposes the application of this bill is limited pretty largely to the 12,000 acres on the Angostura project and the number spoken of here today and the Eden project, which is just now getting to the stage where the farms will be made available to the new settlers.

The Eden project will be between 17,000 and 20,000 acres of which 9,000 is already settled by men who have been there for years. The Eden project took the old 9,000 acres and expanded it to a maximum of 20,000 acres. There will be between 6,000 and 7,000 acres of new land that Agriculture controls, some of it is public land, but by special acts the Department of the Interior has put that into the control of Agriculture for settlement purposes.

There may be some of those where they will need this authority in working it out. I believe it will not be used except maybe in a few very rare instances in the other WCU projects because as far as I know those are settled and are being satisfactorily farmed.

Mr. POAGE. Let's find out this: Why aren't they settling this South Dakota project now? There is still about one-third of the land, I understand, that has not been settled.

Mr. DOMINY. The only land that remains to be settled is across the Cheyenne River served by a siphon. Last spring when the siphon was first completed and water was first delivered to the north side of the Cheyenne River through the siphon a leak developed. The bank shifted and the concrete siphon shifted with it and it took just enough time to repair that so it was not possible to make deliveries of water on the north side of the Cheyenne River during the past irrigation season. That was repaired and water is being delivered there this year on a test run basis. We did not believe, nor did Agriculture, that they ought to put farmers out there until we were certain that the siphon would hold.

It has been repaired in such manner that the engineers believe any further shifting will not disrupt the siphon.

Mr. POAGE. Then we can't do just what Senator Case suggested, moving these people back from the river back on higher land?

Mr. DOMINY. There is good land on the north side of the river served by this siphon that will be available for settlement, we believe, by this fall.

Mr. POAGE. Those fellows may be reluctant to move to the north side of the river after having had one sad experience and having doubt about whether that siphon will work.

Mr. DOMINY. I don't believe we should overemphasize the need for relocation. I think Mr. McLeish has testified there is probably not over 2 or 3 that may fall in that category. The others need financial relief in terms of reducing indebtedness.

Mr. POAGE. Thank you very much.

Does any one else want to be heard on this bill?

If not, we thank all the witnesses who have been heard on this bill.

S. 2098—EXTENSION SERVICE APPROPRIATIONS

WEDNESDAY, JULY 27, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

[S. 2098, 84th Cong., 1st sess.]

AN ACT To amend Public Law 83, Eighty-third Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Smith-Lever Act, as amended (7 U. S. C. 341 and the following, supp. 1), is further amended as follows:

(a) By adding a new section, following section 7, to read as follows:

"SEC. 8. In order to further the purposes of section 2 in agricultural areas which, because of special circumstances affecting such areas, are at a disadvantage insofar as agricultural development is concerned, and to encourage complementary development essential to the welfare of such areas, there is hereby authorized to be appropriated such sums as the Congress from time to time shall determine to be necessary for payments to the States, Alaska, Hawaii, and Puerto Rico on the basis of special needs in such areas as determined by the Secretary of Agriculture. Sums appropriated in pursuance of this section shall be in addition to, and not in substitution for, appropriations, otherwise available under this Act."

(b) By renumbering section 8 to read section 9.

Passed the Senate June 17 (legislative day, June 14), 1955.

Attest:

FELTON M. JOHNSTON,
Secretary.

[S. Rept. No. 558, 84th Cong., 1st sess.]

EXTENSION SERVICE APPROPRIATIONS FOR LOW-INCOME FARMERS' PROGRAM

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2098) to amend Public Law 83, 83d Congress, having considered the same, report thereon with a recommendation that it do pass without amendment.

In a message to the Congress on April 27, 1955 (H. Doc. 149), the President forwarded a report from the Department of Agriculture on the problems of low-income farmers. Included in the recommendations of the Department was the proposal that the State extension services in the problem areas be given additional appropriations in order to develop a more coordinated program for farm people with low incomes. S. 2098 would authorize such appropriations as would be necessary to meet these special needs. While the bill does not limit the total amount of appropriations the amounts would be subject to approval each year by the Congress. It is further noted that the Department in its report on low-income farmers recommended that a pilot program be established to determine the proper aids necessary to help these farmers raise their standard of living.

The letter from the Department of Agriculture requesting enactment of S. 2098 is attached hereto as a part of this report.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., May 24, 1955.

THE PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith for the consideration of the Congress a draft of proposed legislation. It is proposed that the Smith-Lever Act be amended to make it possible for the Secretary of Agriculture, through the State extension services, to give special aid to farmers in agricultural areas which are at a disadvantage with respect to agricultural development because of special circumstances affecting such areas. The Smith-Lever Act, as amended by the act of June 26, 1953 (Public Law 83, 83d Cong.), would be further amended by this proposal to authorize the appropriation of funds for additional cooperative extension work in such areas. This would be done by inserting a new section 8 containing necessary provisions for this work, and renumbering the present section 8 to section 9. The allocation to the States of funds appropriated pursuant to this proposed new section would be determined by the Secretary of Agriculture on the basis of special needs in the areas described in the new section. This new section would not require that funds appropriated pursuant to it be matched by the States.

The report, Development of Agriculture's Human Resources, which the President has transmitted to the Congress for its study, states that educational programs in low income farm areas must differ from those in other areas. Special methods and techniques are needed to effectively reach the objectives outlined in the report. In many cases, community-wide interest and effort is needed. Thus, an extension program is proposed which will develop a coordinated program in cooperation with others concerned for the improvement of the opportunities afforded an important part of the Nation's human resources which now are contributing far less than they can to the economic progress of the Nation. The Extension Service, as a result of many years experience in planning and conducting educational programs in cooperation with local groups and other agencies, is well qualified to assist in the further development of these agricultural areas.

This Department recommends that the proposed legislation be passed.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

E. T. BENSON, *Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX, of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

"SMITH-LEVER ACT OF MAY 8, 1914, AS AMENDED

* * * * *

"SEC. 8. *In order to further the purposes of section 2 in agricultural areas which, because of special circumstances affecting such areas, are at a disadvantage insofar as agricultural development is concerned, and to encourage complementary development essential to the welfare of such areas, there is hereby authorized to be appropriated such sums as the Congress from time to time shall determine to be necessary for payments to the States, Alaska, Hawaii, and Puerto Rico on the basis of special needs in such areas as determined by the Secretary of Agriculture. Sums appropriated in pursuance of this section shall be in addition to, and not in substitution for, appropriations otherwise available under this Act.*

"SEC. [8]9. The Secretary of Agriculture is authorized to make such rules and regulations as may be necessary for carrying out the provisions of this Act."

MR. POAGE. I believe Mr. Scruben is here to testify on that bill.

STATEMENT OF L. M. SCRUBEN, ASSISTANT ADMINISTRATOR,
FEDERAL EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE

Mr. SCRUBEN. It was the Department's understanding that the committee felt that S. 2098 was not definitive enough in its statement of purpose and operation. In an attempt to be more specific, both as to the conditions under which moneys would be expended and criteria under which the money would be expended, the Department at the request of the committee prepared this draft of a possible substitute of S. 2098.

In this draft we have specified the conditions under which moneys would be appropriated, we have specified the conditions under which the work would be performed.

Two limitations were placed in the proposed legislation, one that no more than 10 percent of any moneys appropriated under section 8, which this proposed bill provides, would go to any one State, and no more than 10 percent of such funds as appropriated under section 3 of the Smith-Leiber Act would be appropriated under provisions of section 8.

Those are essentially the further expansion and the attempt to clarify the provisions of the original amendment that was submitted and the original amendment as passed by S. 2098. We hope that the amendment, proposed amendment, or proposed substitution is satisfactory and that the legislation can go forward.

Mr. POAGE. Are there any questions?

Mr. HOEVEN. Did you appear before the Senate committee on behalf of the bill?

Mr. SCRUBEN. We did not.

Mr. HOEVEN. Do you know whether there were any hearings held on S. 2098 in the Senate?

Mr. SCRUBEN. To my knowledge there were not.

Mr. POAGE. Does any witness here know whether the Senate held any hearings? Nobody in the room knows whether the Senate held hearings on this bill, either.

Thank you very much. We appreciate the information.

S. 2098—EXTENSION SERVICE APPROPRIATIONS

TUESDAY, JULY 12, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. Harold D. Cooley (chairman) presiding.

The CHAIRMAN. The committee will please be in order.

Mr. Ferguson, I understand it will be necessary for you to leave early. We will take up S. 2098, and will be very glad to hear you now.

STATEMENT OF CLARENCE M. FERGUSON, ADMINISTRATOR, FEDERAL EXTENSION SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. FERGUSON. Thank you, Mr. Chairman and members of the committee.

The purpose of this legislation is to further amend the Smith-Lever Act to permit the appropriation and authorization of funds to areas which are what we would term "disadvantaged areas," the low-income areas.

I think you recall that the original Smith-Lever Act as amended in 1953 sets forth a pattern of allocation of funds on the basis of population: 4 percent of the funds are set aside for special purposes and the remaining 96 percent is divided half on the basis of rural population and half on the basis of farm population.

The purpose of this proposed legislation is to amend the act to permit the Congress to appropriate, and permit the Secretary of Agriculture to conduct special work in these areas. These folks are at some disadvantage or what we sometimes call the low-income areas.

The present act does not permit us to place funds at the disposal of these particular States and counties because of the limitation of the formula pattern. We feel that if this act could be amended in this fashion that it would permit us to develop a program that we feel is rather badly needed in these area where incomes are low, where folks are at some disadvantage financially, and where there is rather serious need which is not adequately being met at the present time.

Of course it is not intended that this should be entirely a new extension program. It is believed that this program should also include the extension of credit in other services, but in order for the Extension Service to carry out its part of the program, which we have for these people, it would be necessary for us to have some change in the legislation if we are to provide additional help in these particular areas.

We have a feeling that a great deal can be accomplished in these areas to develop assistance to some of these individual families, and also in the development of a community or communitywide program. We feel that these folks can contribute a great deal more than they are currently contributing to the general economy of the Nation. We feel that there is a need for some greater opportunity for these folks in the community and, while we do not believe that all of these folks will stay in these communities, we feel that opportunities need to be made for them to expand their economic status by finding some occupation probably beyond agriculture, but for those who stay in agriculture, to help them develop a sounder economic unit for that particular family.

That, I think, Mr. Chairman, is the general gist of this very brief amendment which is proposed to the Smith-Lever Act.

I shall be glad to try to answer any questions that you or the members of the committee may have.

The CHAIRMAN. Thank you very much, Mr. Ferguson. I would like to ask you a question or two if I may.

Mr. FERGUSON. Yes.

The CHAIRMAN. I understand that the allocations now being made to the States and counties would continue and there would be reallocation within the State and the particular communities?

Mr. FERGUSON. The present money appropriated under the present act, Mr. Chairman, would be appropriated according to the present formula. This particular amendment would permit the Congress, at its discretion, to appropriate special funds for disadvantaged areas.

The CHAIRMAN. In addition to funds that are now being appropriated?

Mr. FERGUSON. Yes.

The CHAIRMAN. In other words, this would not in any way interfere with the normal operations of the money that is now available, and would not upset any of the programs at the State level.

Mr. FERGUSON. That is correct.

The CHAIRMAN. It would authorize the Congress to appropriate money in addition to that?

Mr. FERGUSON. Yes.

The CHAIRMAN. The Secretary of Agriculture could allocate those funds to any particular community where he deemed the need was greater?

Mr. FERGUSON. Yes.

The CHAIRMAN. What do you contemplate doing in these areas which you say are disadvantaged, insofar as agricultural development is concerned? Would it be added supervision in the production or harvesting of crops, or just what is contemplated?

Mr. FERGUSON. We had one session with all of the States. I think you are familiar with the report recently published by the Department, the development of agricultural human resources. We have had one session with the State directors of extension to explore just what the opportunities and possibilities are that might be done. As we see this situation, of course, it is varied from State to State and from situation to situation. For instance, in that meeting it became quite apparent that the problem, for instance, in northern Minnesota and northern Michigan, and the northern Minnesota situation is quite different than that we find in the southern Appalachian area. So each of the

States is going to have to look at it pretty largely from the standpoint of the particular problem that exists in that area.

However, in general we feel that the development of a good sound community-development program, where the family of the communities would be banded together to help them work out a solution in that particular county, some of it would involve probably the intensification of agriculture of that community; some of it may involve a careful study of what is now being done in the community agricultural area, and a study possibly of switching from whatever the current production is into some other type of production; some of it may involve the problem of some of these small units being combined, if adequate employment can be found for some of the families, either through the introduction of industry into that community, or possibly of these folks finding employment somewhere else.

The CHAIRMAN. You are speaking of human resources and the proposal now is to improve the social and economic standards of the people who are in these areas, where they are disadvantaged through agricultural development.

Mr. FERGUSON. Yes.

The CHAIRMAN. Is it contemplated that you will furnish only aid and assistance to landlords who are on an uneconomic unit, or is the program comprehensive enough to deal with the human resources element of the low income tenant families?

Mr. FERGUSON. It would be broad enough, Mr. Chairman, to influence the total community.

The CHAIRMAN. I beg your pardon?

Mr. FERGUSON. It would be broad enough to influence the total community.

The CHAIRMAN. You find in some communities, for instance in my State, some prosperous farmers, farmers who are on a self-sustaining unit, and you will find adjacent to that a farmer who does not have enough land to sustain himself adequately.

Mr. FERGUSON. That is right.

The CHAIRMAN. Right next to them you will find a tenant, probably living on land where there is absentee ownership of the land, where the landlord is not available to furnish assistance, and yet at the same time they are just as human as some of these small homeowners.

Mr. FERGUSON. I would put it this way, that while the primary effort will be toward helping the low-income families, in the area, some of that help is going to have to come indirectly through landlords and others in the community.

So I would say that while the direct assistance would doubtless come directly to the low-income families, that indirectly it would have to have the cooperation and assistance of the landlords and of the folks in that community.

The CHAIRMAN. Of course you would have to have that cooperation, but I know that in the early days we had the home demonstration work, and the county agents and the home demonstration agents often dealt with the better-off farmers.

Mr. FERGUSON. That is right.

The CHAIRMAN. And apparently they did not pay much attention to the low-income group.

Mr. FERGUSON. Yes.

The CHAIRMAN. And that brought into creation the Farm Security Administration, and the Farmers' Home Administration. We found that the Farm Security Administration was undertaking to give too much supervision to the people, and we created the Farmers' Home Administration and that seems to be doing a good job for the people with whom they are dealing.

Mr. FERGUSON. Yes.

The CHAIRMAN. I think that is one of the agencies that has been very free from criticism.

Mr. FERGUSON. That is right.

The CHAIRMAN. In the section of the country I came from, there are a great many tenants who actually receive no assistance in any way or any advice of any kind.

Mr. FERGUSON. I think the Extension has been criticized, Mr. Chairman, and probably justly so, for spending a high percentage of its time with the better-to-do, more-progressive farmers.

That comes about this way, that those folks press the county agent and press the home agents to assist them and it is only natural for them, when you have limited resources, that the resources tend to go in the direction from which the pressure comes.

This will be an attempt to avoid some of that tendency, and put some people in that particular work to work with people who are not getting their assistance.

The CHAIRMAN. The county agent works with certain definite groups usually, the same way with the home demonstration agent.

Mr. FERGUSON. Yes.

The CHAIRMAN. In other words, neither one of them does very much for the poor farmer; the Farm Security Administration and the Farmers' Home Administration look after their own clients, the people to whom they lend money.

Mr. FERGUSON. Yes.

The CHAIRMAN. And then you have another group of tenants.

Mr. FERGUSON. Yes.

The CHAIRMAN. Who are receiving no assistance; I know that because I know we have areas where I do not know of any county agent or home demonstration agent ever visiting anyone of them. And yet they are the human beings that you are talking about right now.

Mr. FERGUSON. Yes.

The CHAIRMAN. And that is the group I would like to see somebody help.

Mr. FERGUSON. That is exactly the group to which this program is directed.

The CHAIRMAN. All right. I am very happy to see it, because I know there are tenants, and there are landlords probably who are doing all they can for them; but often the landlord is not available to be of any assistance to them.

Mr. FERGUSON. That is correct.

The CHAIRMAN. Mr. Andresen?

Mr. ANDRESEN. Mr. Ferguson, you mentioned northern Minnesota. What do you propose to do in northern Minnesota to help these folks?

Mr. FERGUSON. Mr. Andresen, I had a visit with the director of extension of the northern tier of counties of Minnesota, and he told me there were some 17 counties in the area in northern Minnesota, which has a good many families in that area; he did not, at the time

I visited with him, talk with me, because the program had not advanced to the point where he knew the kind of program that would be developed in the State, but the area which he discussed, and which showed a need for some development, covered about 17 counties in northern Minnesota.

Mr. ANDRESEN. I would like to have some idea of what you propose to do up there; what they propose to do, to find out whether the program means more production of basic agricultural commodities, and of commodities of which we have a surplus now.

Mr. FERGUSON. Well, in discussing it with Mr. Rutherford just recently, I think one of the things he sees quite an opportunity for up there is in the field of farm forestry. I think he feels definitely that there is an opportunity there for the development of forestry to a considerable degree in that territory.

Mr. ANDRESEN. Of course that is being developed now through the Forest Service.

Mr. FERGUSON. Yes.

Mr. ANDRESEN. And also through the State agency there?

Mr. FERGUSON. Yes.

Mr. ANDRESEN. Through the development of the forests and the farm crops and that sort of thing.

Mr. FERGUSON. Yes.

Mr. ANDRESEN. So it would possibly involve a duplication of effort?

Mr. FERGUSON. No; it would not be a duplication of effort; there should not be. I should say that if they decide up in that area to have a program—and they would have to make the decision, Mr. Andresen, because I am not familiar enough with the area I have visited to express an opinion as to what would be done in that area—

The CHAIRMAN. Will the gentleman yield?

Mr. ANDRESEN. Yes.

The CHAIRMAN. You speak of areas. You might find an area where 90 percent of the farmers are prosperous and do not need this assistance in any way but in approximately the same area you find people who are not doing so well. You are not going to confine it to areas to the exclusion of the minority, where the majority in the area are not in distress and leave out those areas, are you?

Mr. FERGUSON. Eventually we would hope that a program of this kind might be developed generally because we hope it will develop opportunities in all of these areas and I have just mentioned the low-income areas.

The CHAIRMAN. You do not mean just certain areas? Where do you find low-income areas, up in northern Minnesota or southern Minnesota? southern Mississippi? There are low-income people in just about all areas.

Mr. FERGUSON. There are low-income people in all areas of the country.

The CHAIRMAN. I mean, there may be more in certain areas than others.

Mr. FERGUSON. Yes.

Mr. ANDRESEN. Is it the purpose of this proposal to take care of the low-income people?

Mr. FERGUSON. The purpose of this proposal is to give more assistance to those folks who are economically disadvantaged because,

as I think Mr. Cooley has pointed out to you, there has been a tendency in some of the assistance programs to work with the more prosperous groups, because the pressures come from those families for assistance.

Mr. ANDRESEN. Would this be in the nature of a point-4 program for the United States?

Mr. FERGUSON. I do not know that I could make that comparison, Mr. Andresen.

Mr. ANDRESEN. I assume that it would teach people to do things that they do not know how to do now.

Mr. FERGUSON. I think the program has to have many facets to it, not only will it help people to do a better job with their land facilities and their natural resources which they have to work with but also we feel that there is need for very close cooperation with the Department of Health, Education, and Welfare in developing a general education program to help those folks, too, and provide opportunities for them which will permit them to move into other areas or into other occupations.

Mr. DIXON. Will the gentleman yield?

The CHAIRMAN. Any further questions?

Mr. Johnson.

Mr. JOHNSON. I notice you made reference to northern Minnesota and northern Michigan but not to Wisconsin.

Mr. FERGUSON. Yes. If I omitted Wisconsin, I intended to add Wisconsin.

The CHAIRMAN. Mr. Dixon?

Mr. DIXON. Last year our State agricultural college received about \$35,000 additional money with the instruction that we should employ more county agents and assistant county agents and that these men should be expert in farm management, that they should go to these low-income farms and the farms that were in uneconomical units and figure out what part of their activity paid and what part of their activity they were losing on, and try to develop with the farmer a plan that would help him to become self-supporting and operate his farm at a profit.

Is this act designed to do that same thing to a greater extent?

Mr. FERGUSON. To a greater extent. I think that the method has been emphasized last year and will be further emphasized and can be further emphasized under this act, Mr. Dixon.

Mr. DIXON. There is no direct aid in connection with it?

Mr. FERGUSON. No.

Mr. DIXON. To the farmer himself? No direct financial aid at all?

Mr. FERGUSON. No.

Mr. DIXON. I wish to commend it; I think it is one of the finest ideas that I have ever seen to help the low-income farmers. I saw it work last year and it proved to be a good thing.

The CHAIRMAN. Mr. McIntire.

Mr. MCINTIRE. Mr. Ferguson, would there be an attempt made to make sure that each State had some part of these funds; that is, is the criteria as to low-income areas flexible enough so that each State would have some part of these funds proportionately, perhaps, rather than let the program be set up and become concentrated perhaps on a regional basis?

Mr. FERGUSON. No; I do not think it would be set up on a regional basis. I think that every State would have an opportunity to look at the situation and make the decision for itself.

Mr. McINTIRE. Thank you.

The CHAIRMAN. Mr. Hagen?

Mr. HAGEN. Mr. Ferguson, as I understand it, this is the administration's program for the small farmer, and I am just wondering about it. The New Deal struggled with the so-called marginal farmers for years—and they had some programs which were valuable, which possibly suffered from lack of sufficient appropriation, and we still have the problems. There are not as many problems, perhaps, with sharecroppers and as to the number of tenants, and we have had improvements made since the late thirties, up to date.

What kind of a new approach is this, if it is a new approach, or what kind of a bold approach is it to this kind of a problem? As I say, this is the administration's program for the small farmer. Is this not a kind of wishy-washy way to go about that problem?

Mr. FERGUSON. I would say that this particular phase of it, Mr. Hagen—the total program, of course, envisions very close cooperation with Health, Education, and Welfare, with Labor and with Commerce, with the idea that in areas where it is possible industry will be encouraged to move in and provide, for many of these families, some part-time employment. The part that the Extension Service will play in this will be particularly for those families who are remaining on that land to help them to do the best possible job they can to develop an economic unit, with further opportunities to develop such things as 4-H Clubs and activities of that kind, and to give some of the families an opportunity to explore the possibility at least of other occupations.

Mr. HAGEN. In other words, to get off the farm?

Mr. FERGUSON. That is right; I think some of them may want to do that; they are actually, if you take the Nation as a whole, in the high income and low income, both; only about 50 percent of the youngsters who are now on the farm are going to stay on the farm. And in the low-income areas—I do not know just what that figure is, but I understand it is somewhat higher, for those who are leaving the farm. And I think we also have to say that with these people from these communities have come some very fine leadership, some very excellent leadership has grown out of these communities. That, I think, should be encouraged.

Mr. HAGEN. For example, what are you going to say to a tenant who is farming 20 acres of cotton, or some other crop, and he gives the landlord a percentage of the crop, and I am not sure what the practice is everywhere, but sometimes it may be a third or a half, and the landlord probably directs what he grows on that land. What kind of advice are you going to give him?

Mr. FERGUSON. I think if I were assigned to that particular situation, as a county Extension worker, the first thing I would want to do with that particular family or group of families is to find out from them just what kind of a situation they want to find themselves in in the future, whether they want to go along with that kind of an economy or whether they want to do something else from that. Then I think we would have to sit down and work with them on what

could be done. It may mean more land; and if it means more land, it may mean displacing somebody and that somebody is going to have to find a profitable occupation someplace else.

If it does not mean more land, it may mean a change in the type of crop produced. For instance, I have recently run across an example in one county where they introduced the growth and production of strawberries in the county. And they have done very well in boosting the income of that county through the development of a new crop, and a new source of income which had not been provided, and a new crop that had not been provided in that community.

I think there are opportunities of that kind that would have to be worked out on the ground with the folks in the community, and in relation to the markets that are there currently, and the potential markets that could be developed.

Mr. HAGEN. However, you do not think that is the complete answer to the problem of those farmers? You do not have some definite recommendation or program that you would want to present?

Mr. FERGUSON. Oh, definitely.

Mr. HAGEN. For those who are on the land?

Mr. FERGUSON. Oh, definitely. If he is going to stay there and he has a credit problem, then it would be a matter of working out his own management program on that farm. And it seems to me that we ought to be able to help him to see what his credit needs and where he can get the credit and the kind of credit that he needs and that sort of thing.

Mr. HAGEN. I think we also might very well consider—if you are going to encourage this man to seek industrial employment—the alternative to abandoning the farm as part-time employment, I think there is something else that we should be concerned with and that is the question of the minimum wage he receives.

Mr. FERGUSON. That is right.

Mr. HAGEN. Because that contributes materially to his economic level.

Mr. FERGUSON. That is right.

Mr. HAGEN. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Ferguson, is it contemplated that the States and counties will contribute to this particular activity of the Federal Government in the same fashion as this program is now carried on?

Mr. FERGUSON. Definitely it is, Mr. Cooley. This particular provision of the act would not require matching of funds.

The CHAIRMAN. It would not require them?

Mr. FERGUSON. It would not require matching of funds, for this reason, that many of these counties and communities have difficulties, you see, because of the relatively low tax base.

The CHAIRMAN. That is the point. You say it will not require matching funds?

Mr. FERGUSON. It would not.

The CHAIRMAN. Is it contemplated that in some counties they might, with funds made available under this authority, that they might employ Extension workers to work with these local communities?

Mr. FERGUSON. That is the intention, yes.

The CHAIRMAN. Mr. Lovre.

Mr. LOVRE. Mr. Ferguson, as I understand it, the main objective of this amendment is to more or less provide counsel and advice to the individual farmers, is it not?

Mr. FERGUSON. Yes.

Mr. LOVRE. And coordinate the various programs that the Government is operating now?

Mr. FERGUSON. That is correct.

Mr. LOVRE. And undoubtedly it will be some time before you can have definite programs set up; those are the things that will have to be developed later?

Mr. FERGUSON. I think it will take some time and any attempt now would simply be a guess. What we are proposing here is a study to try, in about 50 counties, to see what we can do, what would be good for them, what we can accomplish, and how the program will work out.

Mr. LOVRE. In other words, about 50 pilot plant operations?

Mr. FERGUSON. Yes. Take counties where we can develop the idea and see how it works out.

Mr. LOVRE. And those counties will be spread throughout the country?

Mr. FERGUSON. Yes.

Mr. LOVRE. And in various types of agriculture?

Mr. FERGUSON. Yes.

Mr. LOVRE. That is all, Mr. Chairman.

The CHAIRMAN. Mr. King?

Mr. KING. Mr. Ferguson, in what way does this enlarged authority add to the authority that the Department of Agriculture now has?

Mr. FERGUSON. The only thing it does, Mr. King, is to amend the act to permit Congress to appropriate funds outside the formula. The present Extension funds are all allocated to States on a formula basis. This would permit the Congress, from time to time, as it saw fit, to appropriate funds outside the formula, for this particular purpose, to assist low income families.

Mr. KING. This assistance would be in the form of instruction; you are not contemplating funds that would be paid out in cash to the farmers?

Mr. FERGUSON. No; not through Extension.

Mr. KING. It is not a relief program?

Mr. FERGUSON. No. The Extension phase about which we are concerned here, and about which this legislation specifically deals, will bear only on the educational phase. I think you will find that the Farmers' Home Administration and the Soil Conservation and other services are expected to expand their efforts in these same areas. That will be a collateral effort; it will be a joint effort on the part of the various agencies concerned.

Mr. KING. Does this just expand the Extension work or is this setting up another agency?

Mr. FERGUSON. This just expands the Extension work.

Mr. KING. Expands it?

Mr. FERGUSON. Yes.

Mr. KING. Why not just expand the Extension program?

Mr. FERGUSON. The Extension Service, the present law, allocates the funds on a formula basis and the money does not meet the needs in these areas which have a high percentage of low-income families.

Mr. DIXON. And it requires matching now?

Mr. FERGUSON. And it requires matching; yes. And in many of these cases the counties do not have adequate tax base.

The CHAIRMAN. Inadequate what?

Mr. FERGUSON. Tax base, local tax base.

The CHAIRMAN. Mr. Laird?

Mr. LAIRD. Are there Extension workers available now to fill these jobs?

Mr. FERGUSON. Yes. We have not had much trouble in securing Extension agents to fill the jobs.

Mr. LAIRD. Have you selected any of the demonstration counties?

Mr. FERGUSON. No.

Mr. LAIRD. Have you asked for recommendations from the State directors?

Mr. FERGUSON. No. We have had a meeting with the State directors in anticipation of this program and they are, at the present time, developing committees and working with the various States to see what they will come up with. The selection of the counties and the final analysis of what the program must be, of course, must be at the State and county level.

Mr. LAIRD. Thank you.

The CHAIRMAN. Mr. Matthews.

Mr. MATTHEWS. Mr. Ferguson, I had the pleasure of serving for about 7 years—7 years assisting the 4-H Club program in Florida—and naturally I am in favor of everything that the Extension is doing. This sounds like a very fine program and I want to emphasize 1 or 2 things that have been pointed out.

One of the problems which you have now, because of the matching formula under the present act, is that you cannot go into these little low-income areas and give them that special type of service which they need.

Mr. FERGUSON. Not to the extent we believe they are needed; no.

Mr. MATTHEWS. Then actually the purpose of this legislation is to permit you, as has been indicated, to expand your service?

Mr. FERGUSON. Yes.

Mr. MATTHEWS. And get into these areas that need help at the present time which you feel you have not been able to help?

Mr. FERGUSON. Yes. We feel that there are many areas that need special help that we are not able to give them at the present time, under this formula.

Mr. MATTHEWS. Now, Mr. Ferguson, I was particularly interested in your comment that some of this increased activity would reflect itself in the 4-H Club work and I know you are familiar with this, but I could tell you a very wonderful story of how that one organization has raised the standard of the agricultural people in my area to an almost unbelievable extent. I think the program of youth training, which has always been so good, also needs to be expanded, and certainly is one of the fine fields where additional work needs to be done.

Mr. FERGUSON. Yes.

Mr. MATTHEWS. And I am very much pleased with it.

Mr. FERGUSON. I am sure that that is very important, Mr. Matthews, because, after all, I guess where we will do our most good is with the generation that is growing up.

Mr. MATTHEWS. I know you will have some systematic way of

getting these pilot counties. I imagine—and I read the President's report with regard to these low-income areas——

Mr. FERGUSON. Yes.

Mr. MATTHEWS. And possibly you would go into those areas to select your counties?

Mr. FERGUSON. Yes.

Mr. MATTHEWS. After proper consultation with the State officials?

Mr. FERGUSON. With the State people; yes.

Mr. MATTHEWS. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Ferguson.

We have several other bills for consideration and we will have to move along.

Mr. FERGUSON. Thank you, Mr. Chairman.

(Whereupon the committee proceeded to the consideration of other business.)

S. 1757—INSPECTION OF AGRICULTURAL COMMODITIES

WEDNESDAY JULY 27, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

[S. 1757, 84th Cong., 1st sess.]

AN ACT To amend the Act known as the "Agricultural Marketing Act of 1946", approved August 14, 1946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (h) of section 203 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1622 (h)) is hereby amended by adding at the end thereof the following new sentence: "Whoever shall violate any provision of any regulation promulgated by the Secretary of Agriculture to govern the possession or use of certificates, memoranda, marks, or other identifications with respect to inspection, class, grade, quality, size, quantity or condition, or devices for making such marks or identifications, issued or authorized under this Act, or falsely make, issue, alter, forge, or counterfeit any such certificate, memorandum, mark, identification, or device, or knowingly cause or procure, or aid, assist in, or be a party to, such violation, false making, issuing, altering, forging, or counterfeiting, or whoever knowingly shall possess without promptly notifying the Secretary of Agriculture or his representative, utter, publish, or use as true or cause to be uttered, published, or used as true any such false, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device, or in any manner make any false or deceptive representation in connection with any United States standard or inspection, grading, or certification service issued or authorized under this Act shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

SEC. 2. The farm produce inspection clause contained in various appropriation Acts (7 U. S. C. 414) and the second, third, and fourth sentences of section 1 of the Produce Agency Act of March 3, 1927 (7 U. S. C. 492) are hereby repealed.

Passed the Senate June 17 (legislative day, June 14), 1955.

Attest:

FELTON M. JOHNSTON,
Secretary.

[S. Rept. No. 562, 84th Cong., 1st sess.]

INSPECTION OF AGRICULTURAL COMMODITIES—PENALTIES

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1757) to amend the act known as the Agricultural Marketing Act of 1946, approved August 14, 1946, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill, which was introduced at the request of the Department of Agriculture, would: (1) remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and (2) expand and tighten provisions for such penalties.

Section 14 (b) of the Perishable Agricultural Commodities Act (7 U. S. C. 499n (b)) now provides penalties for forgery of inspection certificates issued under that act, the Produce Agency Act of March 3, 1927 (7 U. S. C. 491-497), "or any Act making appropriations for the Department of Agriculture." The Department of Agriculture appropriation acts for 1954 and preceding years contained appropria-

tions "for investigating and certifying, in one or more jurisdictions, to shippers and other interested parties the class, quality, and condition of any agricultural commodity or food product, whether raw or processed, and any product containing an agricultural commodity or derivative thereof when offered for interstate shipment or when received at such important central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulations as he may prescribe, including the collection of such fees as are reasonable and as nearly as may cover the cost of the service rendered."

This language was omitted from the 1955 and 1956 acts since authority for such inspection is authorized by the Agricultural Marketing Act of 1946 and other laws. The 1955 appropriation act provided simply for carrying on "service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith."

This change in appropriation language raises the question as to whether inspection certificates issued under the Agricultural Marketing Act of 1946 are issued under an "Act making appropriations for the Department of Agriculture" and so covered by the penalty provisions of section 14 (b) of the Perishable Agricultural Commodities Act (which is the only act providing penalties for forgery of such inspection certificates issued under the Department's authority). Practically all inspections now carried on under the Department's authority, except those for cotton, tobacco, naval stores, and commodities covered by the United States Grain Standards Act, are carried on under the Agricultural Marketing Act of 1946. Those for fresh and frozen fruits and vegetables could be carried on under the Perishable Agricultural Commodities Act, but as a matter of fact are carried on under the 1946 act. S. 1757 by inserting a penalty provision in the Agricultural Marketing Act of 1946 covering inspection certificates issued under that act would remove any doubt as to the penalty for forging such certificates. It would also tend to reduce the confusion which has existed heretofore as a result of prosecutions being brought under the Perishable Agricultural Commodities Act for forgery of inspection certificates for commodities not subject to that act.

The penalty provision which would be added to the Agricultural Marketing Act of 1946 by S. 1757 is more inclusive and stricter than the penalty provision of the Perishable Agricultural Commodities Act in the following respects:

(1) It covers violations of such regulations as may be issued to govern the use of inspection certificates, memoranda, marks, and devices. This authority might be used to cover such things as possession of grade stamps, destruction or preservation of certificates, and use or reuse of marked bags. One matter that it is intended to cover is the use of the letters "U. S. D. A." and grade designations on meat.

(2) It is applicable to memoranda, marks, identifications, and devices, as well as inspection certificates. Thus forgery of grade stamps would be covered.

(3) It covers the use, as well as publication or utterance, of false material. Thus a retailer who knowingly used false certificates uttered by his supplier would be covered.

(4) It omits the requirement of the Perishable Agricultural Commodities Act that the act be done "for a fraudulent purpose." Proof of this element has created some problems in the past.

(5) As introduced, it covers false or deceptive representations in connection with any United States standard or service issued or authorized under the Agricultural Marketing Act of 1946. Insofar as this provision is applicable to inspection services, it would prevent false advertising, false labeling of display counters, and similar practices, and your committee believes this to be a proper purpose. Insofar as it applies to other services authorized under the act, it might cover deceptive representation in connection with marketing or cost studies, market information, or any service designed to facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels. Your committee feels that this would go beyond the intended scope of the bill and recommends that this provision be limited to standards and inspection services.

(6) It provides for a maximum fine of \$1,000 instead of \$500. Violations would continue to be misdemeanors under 18 United States Code 1 since the maximum term of imprisonment would be 1 year.

Any rules issued under the proposed provision would be required by section 3 of the Administrative Procedure Act (5 U. S. C. 1002) to be published in the

Federal Register. Section 4 of that act provides for advance notice and an opportunity for interested persons to submit views before such rules may become effective.

The committee amendments would (1) make it clear that possession of true certificates, etc. contrary to the Secretary's regulations, or possession of false certificates, etc. without notifying the Secretary, would be covered by the bill; (2) limit the bill to wrongdoing in connection with inspection, grading, and certification services; and (3) repeal the farm produce inspection clause and the provisions of the Produce Agency Act which provide for the inspection of agricultural commodities. The provisions to be repealed duplicate in part the authority contained in the Agricultural Marketing Act of 1946, and are no longer used or needed.

The letter from the Department of Agriculture requesting this legislation is attached.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., April 13, 1955.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: There is transmitted herewith for consideration by the Congress proposed legislation to amend the Agricultural Marketing Act of 1946. The amendment provides additional safeguards against forgery or alteration of inspection certificates, unauthorized use of official grade marks or designations, and false or deceptive reference to United States grade standards or services.

Under existing legislation a provision of the Perishable Agricultural Commodities Act of 1930 provides for a fine or imprisonment, or both, for forgery, alteration, or other misuse of inspection certificates issued under that act or under any act making appropriations for the Department of Agriculture (7 U. S. C. 499n (b)). This is the only statute protecting the integrity of such certificates issued by the Department or by Federal-State permissive inspection or grading services for meat, dairy, poultry, fruits, vegetables, and related products. In the fiscal year 1954 and prior years the annual agricultural appropriation acts authorized the inspection and grading of agricultural commodities and the issuance of appropriate certificates therefor. Similar authority for such inspection and grading services was also provided in the Agricultural Marketing Act of 1946. In the interest of simplifying the appropriation language by eliminating therefrom language for which there was adequate authority in other acts, the 1955 appropriation no longer refers to the issuance of certificates for inspection and grading services. Such certificates are issued under authority of the Agricultural Marketing Act of 1946, which does not contain a penalty provision such as that in the Perishable Agricultural Commodities Act. To clarify this matter, particularly since a criminal penalty is involved, and to assure continuation of this protection for all inspection certificates, this proposed legislation is needed. It is desirable to amend the Agricultural Marketing Act rather than the Perishable Agricultural Commodities Act since the basic provisions of the latter act are applicable only to fresh and frozen fruits and vegetables, while this safeguard for official certificates applies to all commodities.

It is proposed that the statute be further amended to prohibit the unauthorized use of official grade marks or designations and the making of false or deceptive references to United States grade standards or inspection services. Inspection or grading for quality by the USDA is an integral part of the marketing function for many of these important agricultural products. False, deceptive, or unauthorized marks or claims concerning the United States grades or the Government inspection relating thereto are detrimental to the best interests of the producer, distributors, and consumers. At present the Department has no direct protection for itself or for the public against such practices.

The amendment includes the imposition of a fine not to exceed \$1,000 for violation of the act. This is consistent with provisions of other laws under which the inspection and grading of agricultural commodities are authorized.

Additional funds, if any, required for the administration of the act by reason of the enactment of this statute would be small and would depend on the regulations issued governing the use of official grade marks.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this proposed legislation.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX, of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 203 (b) OF THE AGRICULTURAL MARKETING ACT OF 1946

“(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained. *Whoever shall violate any provision of any regulation promulgated by the Secretary of Agriculture to govern the possession or use of certificates, memoranda, marks, or other identifications with respect to inspection, class, grade, quality, size, quantity or condition, or devices for making such marks or identifications, issued or authorized under this Act, or falsely make, issue, alter, forge, or counterfeit any such certificate, memorandum, mark, identification, or device, or knowingly cause or procure, or aid, assist in, or be a party to, such violation, false making, issuing, altering, forging, or counterfeiting, or whoever knowingly shall possess without promptly notifying the Secretary of Agriculture or his representative, utter, publish, or use as true or cause to be uttered, published, or used as true any such false, altered, forged, or counterfeited certificate, memorandum, mark, identification, or device, or in any manner make any false or deceptive representation in connection with any United States standard or inspection, grading, or certification service issued or authorized under this Act shall be fined not more than \$1,000 or imprisoned not more than one year, or both.*”

FARM PRODUCE INSPECTION CLAUSE CONTAINED IN 1954 AND PRECEDING APPROPRIATION ACTS (7 U. S. C. 414)

“§ 414. Investigation and certification of condition, etc., of any agricultural commodity or food product offered for interstate shipment

“[Investigations and certifications are authorized, in one or more jurisdictions, to shippers and other interested parties the class, quality, and condition of any agricultural commodity or food product, whether raw or processed, and any product containing an agricultural commodity or derivative thereof when offered for interstate shipment or when received at such important central markets as the Secretary may from time to time designate, or at points which may be conveniently reached therefrom under such rules and regulations as he may prescribe, including the collection of such fees as are reasonable and as nearly as may cover the cost of the service rendered.]”

SECOND, THIRD, AND FOURTH SENTENCES OF SECTION 1 OF THE PRODUCE AGENCY ACT OF MARCH 3, 1927

“[The Secretary of Agriculture shall by regulation provide for the making of prompt investigations and the issuing of certificates as to the quality and condition of produce received in interstate commerce or in the District of Columbia, upon application of any person, firm, association, or corporation shipping, receiving, or financially interested in, such produce. Such regulations shall designate the classes of persons qualified and authorized to make such investigations and issue such certificates, except that any such investigation shall be made and any such certificate shall be issued by at least two disinterested persons in any case where such investigation is not made by an officer or employee of the Department of Agriculture or of any State or political subdivision thereof or of the District of Columbia. A certificate made in compliance with such regulations shall be prima facie evidence in all Federal courts of the truth of the statements therein contained as to the quality and condition of the produce; but if any such certificate is put in evidence by any party, in any civil or criminal proceeding, the opposite party shall be permitted to cross-examine any person signing such certificate,

called as a witness at the instance of either party, as to his qualifications and authority and as to the truth of the statements contained in such certificate.]"

Comparison of the language of section 14 (b) of the Perishable Agricultural Commodities Act with the language proposed to be added by S. 1757 to section 203 (h) of the Agricultural Marketing Act of 1946 (language contained only in section 14 (b) is enclosed in black brackets; language contained only in S. 1757 is printed in italic; language contained in both is shown in roman):

"Whoever shall violate any provision of any regulation promulgated by the Secretary of Agriculture to govern the use of certificates, memoranda, marks, or other identifications with respect to inspection, class, grade, quality, size, quantity or condition, or devices for making such marks or identifications, issued or authorized under this Act, or falsely make, issue, alter, forge, or counterfeit any such certificate, memorandum, mark, identification, or device, or knowingly cause or procure [to be falsely made, issued, altered, forged, or counterfeited], or [willingly] aid, [cause, procure or] assist in, or be a party to, such violation, [the] false making, issuing, altering, forging, or counterfeiting [of any certificate of inspection issued under authority of this Act, the Produce Agency Act of March 3, 1927 (7 U. S. C., sec. 491-497), or any Act making appropriations for the Department of Agriculture;], or whoever knowingly shall utter [or], publish, or use as true or cause to be uttered [or], published, or used as true any such false, [forged,] altered, forged, or counterfeited certificate, memorandum, mark, identification, or device, or in any manner make any false or deceptive representation in connection with any United States standard or service issued or authorized under this Act [for a fraudulent purpose, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than \$500 or by imprisonment for a period of not more than one year, or both, at the discretion of the court] shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

Mr. POAGE. On this bill Mr. Lennartson is here.

**STATEMENT OF ROY W. LENNARTSON, DEPUTY ADMINISTRATOR
FOR MARKETING SERVICE, AGRICULTURAL MARKETING SERVICE;
CLARENCE E. GIRARD, OFFICE OF THE GENERAL COUNSEL;
AND NATHAN KOENIG, SPECIAL ASSISTANT TO THE ADMINISTRATOR,
AGRICULTURAL MARKETING SERVICE, UNITED STATES
DEPARTMENT OF AGRICULTURE**

Mr. LENNARTSON. I appreciate the opportunity to appear before the committee here to discuss the intentions of H. R. 6744 which is reflected in Senate bill 1757.

Mr. POAGE. Let me ask you, Did you appear before the Senate?

Mr. LENNARTSON. The Senate I understand did not hold hearings on the bill.

Mr. ANDRESEN. I would like to ask you and your staff wherein does this bill change existing law and what is the need for change?

Mr. LENNARTSON. Mr. Andresen, what we are seeking here is some additional safeguards against the alteration of our official inspection certificates, the unauthorized use of official grade marks, and the false or deceptive reference to official grade standards and the services we perform.

Mr. ANDRESEN. Don't you have any law now that prohibits the unofficial use of grade marks?

Mr. LENNARTSON. We do under the Perishable Agricultural Commodities Act, but that is basically designed to protect only fresh fruits and vegetables. What we are seeking here is some legislation which will protect not only fresh fruits and vegetables but meats, dairy and poultry products and things of that nature.

Mr. ANDRESEN. Will you cite just what the trouble is and the reason you want this law?

✕ Mr. LENNARTSON. I think I can give you a specific illustration. It is happening frequently with respect to the grading of meat. Federal meat grading has become an extremely important industry of merchandising, with the result that we are finding too frequently people or firms who are developing fictitious rollers and rolling that meat, implying that it has been officially graded. If we were servicing a firm under the Inspection Service and found them doing that, we could naturally withdraw any privileges of further use of the Service to them.

In that respect we can take care of that but we find too many instances where this type of activity is growing on the part of people who do not use the Service and our hands are tied with respect to imposing any penalties upon them.

Mr. ANDRESEN. Then you say you found cases where they used the Government grading roller and roll it over the meat?

Mr. LENNARTSON. It isn't a Government grade roller. It is a roller they have developed indicating it is an official roller.

Mr. ANDRESEN. It is a counterfeit roller?

Mr. LENNARTSON. Yes.

Mr. ANDRESEN. Can't you do anything about that?

Mr. LENNARTSON. We cannot, unfortunately.

Mr. ANDRESEN. You can do something if there is counterfeit money or counterfeit postage stamps.

Mr. LENNARTSON. We have no power under our present authority to penalize them or take them to court.

Mr. GIRARD. Under the Perishable Agricultural Commodities Act we could impose criminal sanctions for forging of certificates. When they use a roller they are not forging any Government certificate, they are going out and misrepresenting to the public that something has been inspected when in fact it has not been inspected.

The other aspect of the need for the legislation is that under the Perishable Agricultural Commodities Act the certificate forgery violations apply only to the inspection of farm commodities under that act or the annual appropriations act.

Since 1954 specific authority has not been included in the annual appropriations act for inspection of farm commodities. We are relying on the authority contained in the Agricultural Act of 1946. Consequently, there is a serious question to whether we could impose any sanctions in connection with the forging of official inspection certificates where we are making the inspection under the Agricultural Act of 1946 rather than the annual appropriation act or the Perishable Agricultural Commodities Act.

So it is necessary that we have that aspect of the situation clarified so that we can move against those who alter or forge inspection certificates under the so-called permissive inspection services.

Mr. ANDRESEN. Does this illegal stamping of meat take place in regular packing plants?

Mr. LENNARTSON. It could be in a jobber. It could be done in the marking place. In one place we found it was done in the truck when the truck was en route.

Mr. ANDRESEN. That was on meat that was slaughtered outside of the packing plant?

Mr. LENNARTSON. It could have been slaughtered—we are talking about grading. If it is under inspection and the plant is under BA

inspection, the meat could be properly inspected. We are addressing ourselves to grading for quality which could be done after it left the plant. That is normally where it is done.

Mr. ANDRESEN. As I recollect some of this took place during the war years when we had rationing, but I don't know whether you were with the Department then or not.

Mr. LENNARTSON. I was in the Army.

Mr. ANDRESEN. In the same branch?

Mr. LENNARTSON. With the Quartermaster Market Center in the Army.

Mr. HOEVEN. Do these violations relate only to meat or to other agricultural products?

Mr. LENNARTSON. We find them relating occasionally to other, but primarily in the meat field.

Mr. HOEVEN. Do they relate to vegetables?

Mr. LENNARTSON. Yes, you have occasional instances where they relate to dairy and poultry products, fruit and vegetables.

Mr. GIRARD. With respect to poultry our more frequent violations are claims that poultry has been United States inspected or graded when in fact they have not been so inspected or graded, and there is nothing we can do about that. This bill of course would cover that situation.

Mr. KING. Do I understand correctly that you propose substitute language for this bill to make it different from the printed bill we have?

Mr. LENNARTSON. That is correct. Subsequent to the passage of Senate 1575, representatives from industry came in and discussed this matter with us, feeling that probably the authority in the Senate bill was too broad for our objective. Frankly, we agree with them that it probably is too broad in that through regulation the Department could possibly go beyond the area of the official inspection service or the official inspection service. Our purpose, frankly, was to limit our authority here to the official inspection services and the official inspection certificates and marks. So we are agreeable and in fact joined with them in developing some substitute language which modifies the Senate bill.

Mr. KING. Do you have that substitute language?

Mr. LENNARTSON. The substitute language has been furnished to the counsel of the committee. Mr. Girard is in position to point out the minor differences that do occur in the two.

Mr. POAGE. We will be glad to hear from him.

Mr. LENNARTSON. We have a copy of the language we are in agreement on.

Mr. HOEVEN. Section 2, you propose to repeal certain provisions relating to farm-produce inspection laws. What do you repeal?

Mr. GIRARD. With respect to section 2 we have no objection to that. The section merely eliminates some duplicating language which the Department is not utilizing as authority for inspection. Of course there is a question as to whether the codified language which is contained in 7 U. S. C. 714, which is no longer continued in the appropriation bills, still obtains.

Mr. HOEVEN. You have no objection to repealing the section?

Mr. GIRARD. No, sir. As a matter of fact, I have prepared a comparison of the language in S. 1757 with the language of the

proposed substitute and I have several copies here which I will be glad to make available to the committee.

Mr. POAGE. This proposed substitute is approved by the trade as well as by the Department?

Mr. GIRARD. That is correct. This substitute only changes the Senate bill in several respects. Firstly, it deletes the criminal sanction for violations of the regulations of the Department of Agriculture, makes only a crime the violations specified in the act itself. Now of course in that connection I think we should point out that to determine whether something is an official memorandum, certificate, mark, or device it will need a regulation of the Department as to describe what would constitute such an official memorandum and so on. To that extent the regulations would have some effect upon your prosecution, but the prosecutions would not be for violation of the regulation but rather a violation of this provision of the act.

Secondly, the industry thought that we were too broad and general with respect to any false or deceptive representation in connection with the service.

Now you will note in the substitute we are merely proposing to make it a crime for any representation that an agricultural product has been officially graded or inspected when in fact it has not been. Of course when a person utters a false or forged certificate, mark, or device, he is guilty of a misrepresentation but that type of misrepresentation would be covered with specific language applicable to that type of act.

Mr. ANDRESEN. You require that must be done knowingly?

Mr. GIRARD. That is right. We also inserted, at the suggestion of industry, that it be knowingly done so as to avoid any inadvertant or innocent violation or being subject to criminal action.

Mr. ANDRESEN. Wouldn't the fact that a seller of such product, putting a stamp on it, wouldn't that be prima facie evidence he did know?

Mr. GIRARD. Very definitely. But still he could come in and show that that was not the case, that he didn't know that the product which he was handling was subject to any violations by other persons in which he did not participate. In other words, he is innocent of any wrongdoing. I think while we would have a prima facie case it could be rebutted by evidence he would present and even in our investigation if it disclosed he was innocent of wrongdoing or any knowledge we wouldn't refer the matter to the Department of Justice.

Mr. ANDRESEN. You are proposing the language in the draft as a substitute?

Mr. GIRARD. Yes. It only modifies the Senate language in two important respects and inserts the word "knowingly" and also describes the various memoranda as being official memoranda rather than just general memoranda which may be used in connection with the service.

Mr. KING. Just one question. Is there anything in the proposed language here that in any way limits the use of secondhand packages which may have a previous grade mark, which may have a grade mark put on by a previous user.

Mr. GIRARD. I would interpret the amended language as well as Senate language as precluding that unless the grade of the commodity which is put in the used package does meet that grade. In other

words, if they put it in a used sack labeled U. S. No. 1 and the product is U. S. No. 1, there is no violation, but if they merchandise something in a container which is erroneously labeled, it seems to me they are knowingly falsely misrepresenting or using a United States grade designation for a commodity, they are using it falsely.

Mr. KING. Not with willful deception, however, in all cases where secondhand packages are used buyers get them and they are usually used on a product not sold by grade. In the vegetable business is there anything in this bill that will require a user of secondhand packages to go over all his secondhand packages and eliminate grade marks put on by the previous user—it would kill the secondhand package business.

Mr. GIRARD. He would have to represent it as an official grade. If he put it out he may have a prima facie case of a violation if we show he has been representing by word, act, or label that the commodity has been inspected, when in fact it has not.

For example, if he should put out containers which said United States Government inspected and approved, or passed or graded or what have you, then if he starts merchandising commodities in that type of container, I think that he is representing falsely that the commodity in those containers has been inspected, even though those containers may have been used previously legitimately after such inspection.

Mr. KING. He wouldn't be in trouble if he used a package that has a U. S. No. 1 grade stamp on it if he is selling merchandise that doesn't sell by grade at all.

Mr. GIRARD. No.

Mr. KING. There are a lot of farmers who fear any legislation that would require them to eliminate all grade marks from secondhand packages because it would be very expensive.

Mr. LENNARTSON. Some of the industry representatives feared that.

Mr. KING. A lot of merchandise sells without any pretense of grade.

Mr. POAGE. Are there further questions?

Are there further statements from you gentlemen?

Does any one else in the room want to make a statement about this bill?

Mr. KITCHENS. I am C. W. Kitchens, United Fresh Fruit and Vegetable Association. We were among those who objected to the language of the Senate bill as being too broad. We have been conferring with representatives in the Department of Agriculture and we are satisfied with the substitute that is offered this morning.

Mr. POAGE. If there is nothing further, we will adjourn.

(Whereupon, at 11:50 a. m. the committee was recessed subject to call.)



84TH CONGRESS
1ST SESSION

S. 1621

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 10), 1955

MR. KNOWLAND (for Mr. CASE of South Dakota) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the provisions of sections 41 (g), 43, and 51 of the
4 Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C.
5 1015 (g), 1017, and 1025), are hereby extended to apply
6 on the obligations of settlers on projects developed under
7 the Act of August 11, 1939, as amended (16 U. S. C.
8 590y-z), or similar projects under the water conservation

1 and use item of the Department of the Interior Appropriation
2 Act, 1940, as amended (53 Stat. 719), of the type incurred
3 in accordance with section 5 of said Act (16 U. S. C.
4 590z-3), or other obligations to or administered by the
5 Secretary of Agriculture incurred in connection with the
6 development or operation of the project unit, and the Secre-
7 tary is authorized to make such additional adjustments in
8 the terms and conditions and amounts of any such obliga-
9 tions of such persons or in the price at which project units
10 are sold to settlers as may be reasonably necessary to permit
11 such persons to acquire, develop, and establish successful
12 farming operations on their farm units and repay such
13 adjusted obligations.

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

By Mr. Case of South Dakota

APRIL 1 (legislative day, March 10), 1955
Read twice and referred to the Committee on
Agriculture and Forestry

84TH CONGRESS
1ST SESSION

H. R. 5467

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1955

Mr. BERRY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the provisions of sections 41 (g), 43, and 51 of the
4 Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C.
5 1015 (g), 1017, and 1025), are hereby extended to apply
6 on the obligations of settlers on projects developed under
7 the Act of August 11, 1939, as amended (16 U. S. C.
8 590y-z), or similar projects under the water conservation

1 and use item of the Department of the Interior Appropria-
2 tion Act, 1940, as amended (53 Stat. 719), of the type
3 incurred in accordance with section 5 of said Act (16
4 U. S. C. 590z-3), or other obligations to or administered
5 by the Secretary of Agriculture incurred in connection with
6 the development or operation of the project unit, and the
7 Secretary is authorized to make such additional adjustments
8 in the terms and conditions and amounts of any such obliga-
9 tions of such persons or in the price at which project units
10 are sold to settlers as may be reasonably necessary to per-
11 mit such persons to acquire, develop, and establish success-
12 ful farming operations on their farm units and repay such
13 adjusted obligations.

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

By Mr. BERRY

APRIL 4, 1955

Referred to the Committee on Agriculture

14. WHEAT. Sen. Langer inserted a Beulah, N. Dak., Farmers Union Elevator Co. resolution favoring legislation to provide full 100 percent of parity on wheat (pp. 9469-70).
15. ELECTRIFICATION. Sen. Neuberger inserted resolutions of the Oregon Rural Electric Cooperative Association opposing the administration's power policies (pp. 9470-1).
16. EDUCATION; VETERANS' BENEFITS. The Labor and Public Welfare Committee reported without amendment S. 2081, to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (S. Rept. 1036) (p. 9471).
17. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects (S. Rept. 1037) (p. 9471).
18. APPROPRIATIONS. Sen. Chavez spoke criticizing the President's objection to certain provisions of the Defense Department appropriation bill for 1956 (pp. 9483-5).
19. NOMINATIONS. Confirmed the nominations of Marion B. Folsom to be Secretary of Health, Education, and Welfare, and H. Chapman Rose, of Ohio, to be Under Secretary of the Treasury (p. 9489).
20. PERSONNEL. Passed with amendment H. R. 4048, making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise (pp. 9497-8).
The Agriculture and Forestry Committee reported without amendment S. 1915, to provide for the exchange of employees of this Department and employees of State political subdivisions or educational institutions (p. D740).
21. TRADE AGREEMENTS. Passed without amendment H. R. 6059, to revise the 1946 trade agreement between the United States and the Philippines (pp. 9498-9). This bill will now be sent to the President.
22. SECURITY. Passed with amendment H. J. Res 157, to establish a Commission on Government Security. Senate conferees were appointed. (p. 9501.)
23. PROPERTY TAXES. Sen. Humphrey inserted an excerpt from the report of the Commission on Intergovernmental Relations recommending a system of payments in lieu of property taxes (pp. 9502-3).
24. LANDS. Passed without amendment H. R. 4894, to repeal certain obsolete laws relating to disposals of land under the timber and stone laws (pp. 9502-3). This bill will now be sent to the President.
25. CCC STOCKS; LANDS; RICE; FARM LABOR; TOBACCO. The Agriculture and Forestry Committee ordered reported without amendment ~~S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form; H. R. 4280, to transfer certain title 3 lands to Clemson College; S. 1621, authorizing adjustment of certain obligations of farm settlers; S. 2297, national marketing quota for tobacco; S. 1915, regarding exchange of USDA employees and employees of State political subdivisions or educational~~

institutions; S. 2573, amend rice quota law; and with amendment H. R. 3822, to extend the Mexican farm labor program; S. 661, to authorize CCC to process food commodities for donation under certain acts; and S. 2295 and S. 2296, tobacco allotments (p. D740).

26. PRICE SUPPORT. The Rules Committee ordered reported without amendment S. Res. 123, authorizing additional funds of \$20,000 for the Agriculture and Forestry Committee to conduct field hearings on farm price support programs (p. D742).

27. LEGISLATIVE PROGRAM. Sen. Clements announced that the mutual security bill will be considered on Friday, and that it is most likely the calendar call will be made on Saturday rather than on Friday (p. 9506).

BILLS INTRODUCED

28. SURPLUS COMMODITIES. S. 2584, by Sen. Case, S. Dak., (for himself and Sen. Anderson), to exempt sales of surplus agricultural commodities for foreign currencies from certain statutes relating to shipping; to Agriculture and Forestry Committee (p. 9472).

29. LANDS, TRANSFER. S. 2585, by Sen. Ellender, to authorize an exchange of land at the Agricultural Research Center; to Agriculture and Forestry Committee (p. 9472).

30. SURPLUS PROPERTY. S. 2591, by Sen. Kennedy (for himself and Sen. Martin, Iowa), to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to Government Operations Committee (p. 9472).

31. WHEAT. H. R. 7493, by Rep. Anfuso, to amend the Agricultural Adjustment Act of 1938, to exempt certain wheat producers from liability under the act where all the wheat crop is used for food on the farm; to Agriculture Committee (p. 9564).

32. ROADS. H. R. 7494, to provide for the completion and financing of the National System of Interstate Highways uniformly throughout the Nation, in the interest of defense, travel, and commerce; to amend the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented; to Public Works Committee (p. 9564).

33. PERSONNEL. H. R. 7495, by Rep. Dorn, N. Y.,/H. R. 7496, by Rep. George, and H. R. 7502, by Rep. Wright, to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 9564).

H. R. 7499, by Rep. Ostertag, for the establishment of a Commission on the Aging; to Education and Labor Committee (p. 9564).

H. R. 7507, by Rep. Miller, Calif., and H. R. 7508, by Rep. Yates, to amend section 8 of the Civil Service Retirement Act of May 29, 1920, as amended; to Post Office and Civil Service Committee (p. 9564).

34. DAYLIGHT SAVING. H. R. 7501, by Rep. Patterson, to amend the act of April 28, 1953, relating to daylight-saving time in the District of Columbia; to D. C. Committee (p. 9564).

ADJUSTMENT OF DEBTS

JULY 20, 1955.—Filed under authority of the order of the Senate of July 20, 1955, without amendment, and ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1621]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes, having considered the same, report thereon with a recommendation that it do pass without amendment.

S. 1621 would authorize the Secretary of Agriculture to compromise and adjust debts of settlers on water conservation and utilization projects developed under the Wheeler Case Act, as amended. This authority is already being exercised by the Secretary with respect to loans for land purchase or improvement made under the Bankhead-Jones Farm Tenant Act. As noted in the report below from the Department of Agriculture, the financial difficulties in which some of these settlers find themselves are often not subject to their control. The report from the Department of the Interior is also attached as a part of this report.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., July 1, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 1621, a bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the act of August 11, 1939, as amended, and for other purposes.

We recommend enactment of the bill.

The bill would extend to projects developed under the authorities of the act of August 11, 1939, the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones

Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), which sections authorize debtors to be released of liability for their debts under certain conditions. The bill also would authorize the Secretary of Agriculture to make adjustments in the terms, conditions, and amounts of obligations incurred in connection with the development or operation of a project unit, or in the price at which units on such projects are sold to settlers as may be reasonably necessary to permit such settlers to acquire, develop, and establish successful farming operations on their farm units and to pay any adjusted obligations.

The enactment of this bill is desirable in order that worthy farm families may be granted some relief from the problems and difficulties they are confronted with on these project units. For example, on the Angostura project at Hot Springs, S. Dak., settlers are having difficulty because:

1. Scapeage is developing from irrigation canals and the application of irrigation water to the extent that the irrigable crop acreage on some farms is being reduced to the point that a family cannot be reasonably expected to succeed.

2. Due to the semiarid nature of the area and the sandy texture of much of the soil, there is a lack of humus and organic matter. Under such conditions, some farmers cannot obtain profitable yields until the soil has been developed with fertilizers, legumes, green-manure crops, and good tillage practices. The removal of topsoil in land-leveling operations has been an additional cause of low crop yields for the first years of occupancy. For these reasons, many settlers have lost money on their farming operations during the first years of their occupancy of the units and will fail unless afforded further opportunities to work out of their difficulties.

3. Since the majority of these settlers are young veterans with limited resources, the problem is intensified as they have not been able to provide sufficient funds to supplement the amounts which could be loaned to them under existing authorities of the Farmers' Home Administration to adequately develop their farms. They also have been unable to obtain necessary buildings, particularly livestock shelter, fences, and, in some instances, a habitable dwelling.

The enactment of this bill will not result in additional administrative costs as its administration will be absorbed.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., July 19, 1955.

HON. ALLEN J. ELLENDER,
*Chairman, Committee on Agriculture and Forestry,
United States Senate, Washington 25, D. C.*

MY DEAR SENATOR ELLENDER: A report has been requested from this Department on S. 1621, a bill to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes.

If enacted, S. 1621 would extend certain provisions of the Bankhead-Jones Farm Tenant Act, as amended, to projects developed under the Wheeler-Case Act (54 Stat. 1119, 16 U. S. C., secs. 590y-z) and the Interior Department Appropriation Act (53 Stat. 685, 719). Under these acts, there is a division of authority between this Department and the Department of Agriculture, this Department being responsible (to put the matter in general terms) for the engineering aspects of the projects and for negotiation and administration of contracts with organizations of water users for repayment of the reimbursable costs of the project works and the Department of Agriculture being responsible for the land settlement program, the disposition of lands to settlers, and Federal assistance to the settlers by way of loans and the like.

The portions of the Bankhead-Jones Act which would be extended are those which provide for (1) compromising and adjusting claims and modifying the terms of mortgages, leases, contracts, and agreements, (2) expediting the liquidation of projects by the sale of lands, by making loans for the improvement of lands and repair of property, and by disposing of public facilities, and (3) the purchase by the Secretary of Agriculture of foreclosed property, the operation and ultimate disposition of such property, and making advances to preserve the

Government's security, liens, and priorities on loans. The operation of the extensions of authority proposed by S. 1621 is expressly limited to those obligations of settlers which run to or are administered by the Secretary of Agriculture. Enactment of the bill would also authorize the Secretary of Agriculture "to make such additional adjustments in the terms and conditions and amounts of any such obligations * * * or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations."

It appears, from this review of the contents of S. 1621, that its enactment will affect only operations of the Department of Agriculture and that it will not affect repayment obligations of contracting organizations which are administered by the Department of the Interior. In view of this we offer no comment on the bill and advise you that we would have no objection to enactment of the bill.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAH, *Assistant Secretary of the Interior.*

The following provisions would be extended to the obligations of settlers on projects developed under the Wheeler-Case Act, as amended, to the Secretary of Agriculture.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

SECTION 41. (7 U. S. C. 1015)

* * * * *

(g) Compromise or adjust claims and adjust and modify the terms of mortgages, leases, contracts and agreements entered into or administered pursuant to sections 1001-1005d, 1007, and 1008-1029 of this title as circumstances may require, in the following manner:

(1) Compromise of claims of \$10,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General, pursuant to the provisions of section 194 of Title 31;

(2) Claims of less than \$10,000 may be compromised or may be adjusted or reduced on the basis of a reasonable determination by the Secretary of the debtor's ability to pay and the value of the security and with or without the payment of any consideration at the time of such adjustment; releases from personal liability may also be made with or without the payment of any consideration at the time of adjustment of—

(A) borrowers who have transferred their farms to other approved applicants under agreements assuming the outstanding indebtedness to the Secretary under sections 1014-1029 of this title; and

(B) Borrowers who have transferred their farms to other approved applicants under agreements assuming that portion of their outstanding indebtedness to the Secretary which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(C) No compromise or adjustment shall be made upon terms more favorable than recommended by the appropriate County Committee established pursuant to section 1016 of this title;

(3) Any claim of \$100 or less, which has been due and payable for three years or more, and where the debtor has no assets from which the claim could be collected or is deceased and has left no estate, or has been absent from his last known address for a period of at least two years and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the employee of the Administration having charge of the claim: *Provided*, That claims of \$10 or less may be canceled and released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

(4) At the end of each fiscal year the Secretary shall report to Congress the names of all persons against whom claims in excess of \$1,000 have been compromised, the address of such person, the nature of the claim, the amount of the compromise, and the reason therefor.

* * * * *

SECTION 43 (7 U. S. C. 1017)

* * * * *

The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to sections 431-434 of Title 40, as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of sections 1001-1006 of this title, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of sections 1001-1006 of this title.

* * * * *

SECTION 51 (7 U. S. C. 1025)

SEC. 51. The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this Act, the Act of August 14, 1946, the Act of April 6, 1949, the Act of August 28, 1937, or the item "Loans to Farmers, 1948, Flood Damage" in the Act of June 25, 1948, as those Acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act.



Calendar No. 1055

84TH CONGRESS
1ST SESSION

S. 1621

[Report No. 1042]

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 10), 1955

Mr. KNOWLAND (for Mr. CASE of South Dakota) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JULY 20, 1955

Reported, under authority of the order of the Senate of July 20, 1955, by Mr. FLENDER, without amendment

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the provisions of sections 41 (g), 43, and 51 of the
4 Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C.
5 1015 (g), 1017, and 1025), are hereby extended to apply
6 on the obligations of settlers on projects developed under
7 the Act of August 11, 1939, as amended (16 U. S. C.
8 590y-z), or similar projects under the water conservation

1 and use item of the Department of the Interior Appropriation
2 Act, 1940, as amended (53 Stat. 719), of the type incurred
3 in accordance with section 5 of said Act (16 U. S. C.
4 590z-3), or other obligations to or administered by the
5 Secretary of Agriculture incurred in connection with the
6 development or operation of the project unit, and the Secre-
7 tary is authorized to make such additional adjustments in
8 the terms and conditions and amounts of any such obliga-
9 tions of such persons or in the price at which project units
10 are sold to settlers as may be reasonably necessary to permit
11 such persons to acquire, develop, and establish successful
12 farming operations on their farm units and repay such
13 adjusted obligations.

S. 1621

[Report No. 1042]

A BILL

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

By Mr. CASE of South Dakota

APRIL 1 (legislative day, March 10), 1955

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 20, 1955

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 25, 1955

For actions of July 22, 1955

84th-1st, No. 124

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committee reported bill to amend rice quota law. Senate passed bills to: provide mutual security appropriations; extend Mexican farm labor program; amend tobacco allotments-quotas law; authorize CCC to process foods for donation; transfer title 3 lands to Clemson College; and permit sales of certain CCC stocks without restriction. Sen. Ellender introduced bill to increase CCC borrowing authority.

SENATE

1. FOREIGN AID. Passed, 62 to 22, with amendments H. R. 7224, the mutual security appropriation bill for 1956 (pp. 9684, 9687-9714, 9717-51). Senate conferees were appointed (p. 9751). Rejected an Ellender amendment to reduce by \$5.5 million the amount available to Spain which shall be used for agricultural commodities (p. 9729).
2. RICE. The Agriculture and Forestry Committee reported without amendment S. 2573, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, to provide that "in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments" (S. Rept. 1093)(p. 9653).
3. LANDS. Passed without amendment H. R. 605, to provide for the abolition of the 80-rod reserved space between claims on shore waters in Alaska (p. 9672). This bill will now be sent to the President.

Passed without amendment H. R. 4280, to transfer certain title 3 lands to Clemson College, S. C., so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands (pp. 9684-5). This bill will now be sent to the President.

4. FARM LABOR. Passed as reported H. R. 3822, to extend the Mexican farm labor/^{program} for $1\frac{1}{2}$ years (p. 9676).
5. EDUCATION; VETERANS' BENEFITS. Passed without amendment S. 2081, to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9672).
6. RECLAMATION. Passed as reported S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects (p. 9672).
7. PRICE SUPPORT. Agreed to S. Res 123, increasing by 20,000 the funds available to the Agriculture and Forestry Committee for a study of price supports (p. 9673).
8. TOBACCO. Passed without amendment S. 2297, providing for the Secretary of Agriculture to proclaim a national marketing quota for tobacco (p. 9676).
Passed as reported S. 2296, providing for the exemption from marketing quotas of certain farms not producing tobacco for which an allotment had been made (p. 9676).
Passed as reported S. 2295, providing for the establishment of burley tobacco acreage allotments for farms retired from tobacco production (p. 9676).
9. COMMODITY CREDIT CORPORATION. Passed with amendment H. R. 2851, to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress. The amendment to H. R. 2851 consisted of the insertion of the text of S. 661 for that of the House bill, and then S. 661 was indefinitely postponed (pp. 9677, 9679-84).
Passed without amendment S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (p. 9685).
10. TEXTILES. Sen. Thurmond inserted a letter, containing the signatures of 1,017 residents of Whitmire, S. C., stating that the reduction of tariffs on imported textile products has had a disastrous effect on the American textile industry (pp. 9657-8).
Sen. Johnston cited the increased textile imports from Japan and said these imports are having an adverse effect on the domestic textile industry (pp. 9686-7).
11. LANDS. Passed without amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (p. 9676). The bill would authorize the Secretary of Agriculture to: (1) Extend to projects developed under the authorities of the Act of August 11, 1939, commonly known as the Wheeler-Case Act, the provisions of certain sections of the Bankhead-Jones Farm Tenant Act, as amended, to release debtors of liability under certain conditions; and (2) authorize the Secretary of Agriculture to make adjustments in the terms, conditions and amounts of obligations incurred in connection with the development or operation of a project unit, or in the price at which units on such proj-

ects are sold to settlers as may be reasonably necessary to permit such settlers to acquire, develop and establish successful farming operations on their farm units and to pay any adjusted obligations.

12. LEGISLATIVE PROGRAM. The Majority Leader scheduled a call of the Calendar on Monday, followed by a consideration of bills on motion to which there is no "real" objection. On Tues., July 26, consideration of the supplemental appropriation bill is scheduled (p. 9754).

13. ADJOURNED until Mon. July 25 (p. 9755).

HOUSE

14. EDUCATION. The Education and Labor Committee ordered reported (21 to 9) H. R. 7535, to authorize a \$1.6 billion, 4-year program of Federal-State school construction (p. 9764).

BILLS INTRODUCED

5. COMMODITY CREDIT CORPORATION. S. 2604, by Sen. Ellender, to increase the borrowing power of Commodity Credit Corporation; to Agriculture and Forestry Committee (p. 9653).

S. 2616, by Sen. Smith, N. J., requiring the Commodity Credit Corporation to make periodic inspections of the agricultural commodities held by it and to report thereon to the Congress, discontinuing loans by the Corporation on agricultural commodities; to Agriculture and Forestry Committee (p. 9653).

16. MONOPOLIES. S. 2605, by Sen. Kilgore, to amend section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to Judiciary Committee (p. 9653). Remarks of author (p. 9654).

17. POSTAL RATES. S. 2615, by Sen. Smith, N. J., authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel post service; to Post Office and Civil Service Committee (p. 9653). Remarks of author (p. 9655).

ITEMS IN APPENDIX

18. NATURAL RESOURCES; CONSERVATION. Sen. Humphrey inserted an article, "Our Land and Water: Basic Resources," which stresses the importance of conservation measures in protecting our natural resources (pp. A5387-8).

19. TEXTILES. Sen. Ervin inserted editorials from North Carolina papers opposing lowering of tariffs on textiles, and stating that Japanese competition is threatening the domestic textile industry (pp. A5388-9).

20. FLOOD CONTROL. Rep. Sieminski inserted excerpts from a book, "Flood Problems," warning of the possibility of major floods in the future and urging a long-range program of flood control (pp. A5397-9).

SENATE (CONTD.)

21. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 7278, the supplemental appropriation bill, 1956, on July 23 during Senate recess (S. Rept. 1094).

The committee restored the budget estimates on the following items, which had been stricken from the bill on the floor of the House through points of order: Authority to use \$25,000 for the ARS building at Miles City, Mont., to replace an equipment repair shop destroyed by fire; authority to use not over \$5,000,000 of the ACP appropriation for the fiscal year 1955 to meet emergency drought conditions in the southern great plains by assisting farmers to carry out emergency wind erosion control measures; and authority to employ a CCC sales manager at GS-17; permission to use certain appropriations for uniform allowances as authorized by the act of 1955.

The committee inserted the following budget estimates which had been recommended to the Senate: ARS, \$500,000 to prepare plans and specifications for animal-disease laboratory facilities; \$300,000 for the Forest Service, and \$65,000 for OGC, to carry out the new legislation to amend the mining law; and \$33,000 for the recently passed bill to include onions under the Commodity Exchange Act.

The committee rejected all of the items for the rural development program (for low-income farmers).

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COMMITTEE HEARING ANNOUNCEMENTS FOR JULY 25: Increase in commodity exchange fee (Kauffman), assistance to desert-land entrymen (McLeaish, Smith), sale of CCC feed grain at 10% below support (Case, CSS), amendment to rice quota law (Dean, Satterfield, and Patzig, CSS), H. Agriculture. Farm credit bill, S. Agriculture (exec.).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A).

oOo

United States the offer of a gift to it of the physical memorial to be erected on the Capitol Grounds without cost to the United States Government, substantially in the form as described herein, and to recommend that it be located on the following described site: Square 633 on the drawing of the Architect of the Capitol, located just below the Fountain Plaza area, lies between New Jersey Avenue on the east, Constitution Avenue on the south, Louisiana Avenue diagonally on the northwest, and First Street on the west; that said offer shall be made in the form of a letter to the President of the Senate and Speaker of the House of Representatives and attached thereto shall be a copy of this resolution and a photograph of the architect's sketch of the memorial.

Resolved further, That if and when the Congress accepts said offer of the foundation and upon the approval by the subcommittee of the plans and specifications, and the Architect of the Capitol, or by whomever person or persons required by the Congress to do so, the finance committee shall proceed to secure the necessary funds for the erection of said memorial and upon certification that sufficient funds have been either collected or pledged, and certification that all conditions set forth by the Congress have been complied with, B. CARROLL REECE, president of the foundation, on behalf of the foundation, shall enter into the necessary contracts and agreements for the erection of said memorial.

Resolved further, That anything in this resolution to the contrary notwithstanding, the wording of the scroll and the sculpture which is to be a part of said memorial shall be submitted to the executive committee for approval before submitting said sculpture and scroll to the designated representatives of the Congress for final approval.

Resolved further, That, in accordance with the statements made by the president the substance of these resolutions shall be transmitted to the board of trustees as soon as possible.

Mr. NEUBERGER. Mr. President, I was trying to obtain the floor during the consideration of the concurrent resolution dealing with the proposed memorial to the late Senator Taft, and the joint resolution providing for the creation of a commission to study plans for a memorial honoring the late Franklin D. Roosevelt.

I should like to ask a question of the distinguished chairman of the Committee on Rules and Administration with respect to these memorials.

At the time the Taft Memorial on the Capitol Plaza was first proposed, I received communications from a number of people in my State, including some newspaper editors.

Our State once had a very illustrious Republican Senator who served in this body for 28 years, and was for many years Republican minority leader. I refer to the distinguished late Senator Charles L. McNary.

The writers of these letters ask me this question: Suppose a group of people in the State of Oregon should feel that they would like to raise funds to erect a memorial on the Capitol Plaza to Senator McNary? Naturally it would not be of the dimensions of the memorial proposed to Senator Taft, because that amount of money probably could not be raised in a State with our limited population. But would consideration be given to setting aside a plot of land on the Capitol Plaza so that the citizens of Oregon who are interested in honoring Senator McNary,

who had a very distinguished career in the United States Senate, could likewise obtain ground on the Capitol Plaza for the erection of a memorial—of more modest and limited proportions than the Taft monument—in tribute to Senator McNary?

Mr. GREEN. Of course, to answer the Senator's question directly, there would be no objection to any organization suggesting the erection of a monument to the memory of any great American official, whether he be a general, an admiral, a Member of the Senate, a Member of the House, or any other distinguished American, the monument to be paid for either by subscription or by appropriation.

Perhaps what the Senator has in mind today is to draw attention to the fact that we are establishing a precedent. At the present time there is only one monument on the Capitol Grounds, and that is the monument to Chief Justice John Marshall, which is on the other side of the Capitol Grounds. There is no other monument anywhere on the Capitol Grounds. All the other monuments are in the Capitol.

After some experiences, perhaps similar to the one today, a rule was established in accordance with which each State has the right to place in the Capitol 2 statues in honor of 2 of its citizens. That rule has been carried out.

If the precedent being established today were to be followed similarly, of course, a resolution might be adopted by Congress—I hope it will not be—giving each State the right to erect 2 monuments to 2 of its distinguished citizens on the Capitol Grounds. That would mean almost 200 such monuments on the Capitol Grounds and in the Capitol. Perhaps that is a bit too fanciful. I do not suppose such a proposal would be made. However, based on the precedent today, it could very well be.

If the Senator wishes to carry out his idea, it seems to me we might consider a resolution which would establish a general rule under which monuments on the Capitol Grounds might be erected under certain conditions. The pending matter was acted on as an individual project.

Mr. NEUBERGER. I thank the distinguished chairman of the Committee on Rules and Administration. Let me add that there was absolutely no derogation of the purpose of the erection of the proposed memorial to Senator Taft implied in what I said. I should state to the Senator also, because it may interest him to know it, that the only criticism which I received from my State of the proposed memorial to Senator Taft came from a very strongly Republican newspaper, edited in the capital of my State, and owned by a former distinguished Republican Governor of Oregon.

However, the general tenor of the letters I received merely asked, because of reverence for the memory of Senator Charles L. McNary, whether Senator McNary could be honored with a monument on the Capitol Grounds.

Mr. GREEN. I believe all of us have probably received similar letters, inquiring whether monuments could be erected

to the memory of Senator Webster or Senator Calhoun, for example.

Mr. NEUBERGER. While consideration is being given to the erection of the Taft memorial, I believe the record should be clear that if in the future it is proposed to honor Senator Webster, or Senator McNary, or Senator Norris, or Senator Vandenberg, or Senator Calhoun, or whomever it may be, parallel consideration may be given to placing on the Capitol grounds monuments in honor of those illustrious men.

Mr. GREEN. Congress has a right to do anything it wishes to do. It could authorize such statues. It could also qualify or add certain conditions to the erection of such statues. If I may express a personal opinion—not of the committee—it might be well if we could establish a general rule to be applied in such cases, just as there is now a rule with respect to the erection of statues in the Capitol.

Mr. CHAVEZ. Mr. President, I am in favor of the resolution. However, I wish to say to my good friend from the State of Oregon that I served with Senator McNary, and I believe the adoption of the resolution will help the idea the Senator from Oregon has in mind. We are establishing a precedent. I believe Senator McNary deserves a place in American history.

Mr. NEUBERGER. I thank the Senator from New Mexico for his kind remarks about Senator McNary.

Mr. CHAVEZ. I knew Senator McNary very well. I knew him from the first day he served in the Senate. At that time I was a clerk in the Senate. I not only knew him personally very well, but I always thought he was a great American citizen. I believe the idea the Senator from Oregon has in mind, that the people of Oregon may some day wish to honor Senator McNary will be enhanced if we adopt the resolution, because we will be establishing a precedent.

Mr. NEUBERGER. To indicate the extent of my admiration for Senator McNary I should state that, although I have been a registered Democrat since the day I reached my 21st birthday, on the only two occasions when I had an opportunity to vote for Senator McNary, which was in 1936 and in 1942, I voted for him rather than for his Democratic opponent, because of my admiration for Senator McNary's progressive viewpoint and his character and integrity.

PRINTING OF REPORT ON THE PRAYER ROOM IN THE CAPITOL

The concurrent resolution (H. Con. Res. 90) authorizing the preparation and printing of a report on the Prayer Room established in the Capitol was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS HELD BY THE JOINT COMMITTEE ON ATOMIC ENERGY

The concurrent resolution (H. Con. Res. 148) authorizing the printing of additional copies of the hearings held by the Joint Committee on Atomic

Energy on May 9, 1955, on "Radiation Sterilization of Foods," was considered and agreed to.

BILL PASSED OVER

The bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADJUSTMENT OF CERTAIN OBLIGATIONS OF SETTLERS

The bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on projects developed under the act of August 11, 1939, as amended (16 U. S. C. 590y-z), or similar projects under the water conservation and use item of the Department of the Interior Appropriation Act, 1940, as amended (53 Stat. 719), of the type incurred in accordance with section 5 of said act (16 U. S. C. 590z-3), or other obligations to or administered by the Secretary of Agriculture incurred in connection with the development or operation of the project unit, and the Secretary is authorized to make such additional adjustments in the terms and conditions and amounts of any such obligations of such persons or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The bill (S. 2297) to further amend the Agricultural Adjustment Act of 1938, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 312 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1312), is hereby amended to read as follows:

"SEC. 312. (a) The Secretary shall, not later than December 1 of any marketing year, proclaim a national marketing quota for any kind of tobacco for each of the next 3 succeeding marketing years whenever he determines with respect to such kind of tobacco—

"(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level thereof;

"(2) that such marketing year is the last year of 3 consecutive years for which mar-

keting quotas previously proclaimed will be in effect;

"(3) that amendments have been made in provisions for establishing farm acreage allotments which will cause material revision of such allotments before the end of the period for which quotas are in effect; or

"(4) that a marketing quota previously proclaimed for such marketing year is not in effect because of disapproval by producers in a referendum held pursuant to subsection (c): *Provided*, That if such producers have disapproved national marketing quotas in referenda held in 3 successive years subsequent to 1952, thereafter a national marketing quota shall not be proclaimed hereunder which would be in effect for any marketing year within the 3-year period for which national marketing quotas previously proclaimed were disapproved by producers in a referendum, unless prior to November 10 of the marketing year one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary, in accordance with such regulations as he may prescribe, to proclaim a national marketing quota for each of the next 3 succeeding marketing years.

"(b) The Secretary shall also determine and announce, prior to the 1st day of December, the amount of the national marketing quota proclaimed pursuant to subsection (a) which is in effect for the next marketing year in terms of the total quantity of tobacco which may be marketed which will make available during such marketing year a supply of tobacco equal to the reserve supply level. The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 percent if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restrictions of marketings in adjusting the total supply to the reserve supply level.

"(c) Within 30 days after the proclamation of national marketing quotas under subsection (a), the Secretary shall conduct a referendum of farmers engaged in the production of the crop of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next 3 succeeding marketing years. If more than one-third of the farmers voting oppose the national marketing quotas, such results shall be proclaimed by the Secretary and the national marketing quotas so proclaimed shall not be in effect but such results shall in no wise affect or limit the subsequent proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota."

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938 RELATING TO TOBACCO ALLOTMENTS

The Senate proceeded to consider the bill (S. 2296) to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, at the beginning of line 6, to insert "(j)"; in the same line, after the word "farm", to insert "in 1955 or any subsequent year"; and at the beginning of line 8, to strike out "has been" and insert "was", so as to make the bill read:

Be it enacted, etc., That section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new subsection:

"(j) The production of tobacco on a farm in 1955 or any subsequent year for which

no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsections (b) and (g) hereof: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof, but such production shall not be deemed past tobacco experience for any producer on the farm."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF TITLE V OF THE AGRICULTURAL ACT OF 1948

The Senate proceeded to consider the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, line 5, after the numerals "30", to strike out "1959" and insert "1957."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF SECTION 313 OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate proceeded to consider the bill (S. 2295) to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 1, at the beginning of line 6, to insert "(j)", so as to make the bill read:

Be it enacted, etc., That section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new subsection:

"(j) In establishing farm acreage allotments for burley tobacco crops for the years 1956, 1957, and 1958 the acreage allotment for any farm which has not been retired from agricultural production shall not be reduced below the acreage allotment which would otherwise be established because the harvested acreage was less than the allotted acreage unless the acreage harvested was less than 50 percent of the allotted acreage in each of the preceding 5 years, in which event it shall not be reduced for such reason to less than the largest acreage harvested in any year in such 5-year period."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2170) to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

g, read the third time, and passed, as

The Senate proceeded to consider the bill (S. 2222) to amend section 612 of

in any year in such 5-year period."

38. INTERGOVERNMENTAL RELATIONS. Sen. Butler inserted a newspaper article favoring Federal collaboration with State and local governments (p. A5627).
39. COOPERATIVES; TAXATION. Rep. Cooper inserted a letter from the Secretary of the Treasury suggesting that the legislation on income taxation of cooperatives be tightened (pp. A5632-3).
40. ELECTRIFICATION. Sen. Bender inserted an address by J. B. Black favoring a Government-private "partnership" in the power development of the West (pp. A5636-8).

BILLS INTRODUCED - July 29

41. CLAIMS; APPROPRIATIONS. S. 2678, by Sen. Smith, N. J., "relating to the payment of certain claims against the Government where the appropriations therefor have lapsed"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
42. MARKETING. S. 2634, by Sen. Ellender, "to facilitate the marketing of agricultural commodities"; to Agriculture and Forestry Committee (p. 10341).
43. ACCOUNTING. S. 2677, by Sen. Smith, N. J., "to relieve certain officers of financial liability except in cases of gross negligence or fraud"; to Government Operations Committee (p. 10341). Remarks of author (pp. 10341-2).
44. ROADS. H. R. 7729, by Rep. Dempsey, to authorize road appropriations; to Public Works Committee (p. 10466).
45. LAND TRANSFER. H. R. 7723, to authorize the Secretary of Agriculture to convey certain lands in Phelps County, Mo., to the Chamber of Commerce of Rolla, Mo.; to Agriculture Committee (p. 10466).
46. CONSERVATION. H. J. Res. 415-425, to provide for observance of the 50th anniversary of the founding of the conservation movement for natural resources; to Judiciary Committee (p. 10467).
47. PERSONNEL. H. J. Res. 426, by Rep. Moss, to authorize the President to proclaim as Civil Service Week the week beginning Jan. 17, 1956, in commemoration of the 73rd anniversary of the American civil-service system; to Judiciary Committee (p. 10467).

HOUSE - July 30

48. SOIL CONSERVATION. Passed without amendment S. 1167, to permit ACP payments to persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining private lands of such persons (p. 10589). This bill will now be sent to the President.
Passed without amendment H. R. 7236, to permit approval of water conservation practices under ACP in any State instead of "in arid or semiarid sections" (p. 10592).
49. MARKETING. Passed with amendments H. R. 5337, to amend the Perishable Agricultural Commodities Act so as to strengthen the provisions relating to misbranding or misrepresentation of grade and origin of fresh fruits and vegetables, increase the maximum annual license fee from the present \$15 per year to \$25, permit the Secretary of Agriculture to deny issuance of a license to any person convicted of a felony in any State or Federal court, authorize the Secretary to

deny a license to any applicant who has been involved in bankruptcy proceedings within 3 years unless the applicant furnishes a bond or other assurance, empower the Secretary to suspend the license of a person who employs in any responsible position an individual whose license is under suspension, and provide authority for the inspection of any perishable commodity covered by the Act (pp. 10590-1).

Passed as reported S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10607).

The Agriculture Committee reported without amendment H. R. 4054, to provide for loans for development of central market facilities to handle perishable agricultural commodities (H. Rept. 1602)(p. 10677).

50. FARM LOANS. Passed without amendment S. 1758, to amend the Bankhead-Jones Farm Tenant Act relating to the insurance of farm real estate mortgages so the mortgages can be made directly to the Government instead of to the banks (pp. 10593-4). This bill will now be sent to the President.

Passed as reported S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10655).

51. RESEARCH. Passed as reported S. 1759, to consolidate authorization legislation regarding Federal aid to State agricultural experiment stations (pp. 10594-6).

52. COMMODITY EXCHANGES. Passed without amendment S. 1051, to amend the Commodity Exchange Act so as to authorize increases in fees and charges for registrations and renewals and for copies of registration certificates (p. 10601). This bill will now be sent to the President.

53. TRADE DEVELOPMENT. Passed without amendment S. 2253, to reemphasize trade development as the primary purpose of title I of Public Law 480, 83d Congress; to increase the funds available under that title from \$700 million to \$1.5 billion; and to authorize the Secretary of Agriculture to determine the nations with whom agreements will be negotiated, and the quantities and commodities involved (pp. 10601-2). This bill will now be sent to the President.

54. EXTENSION WORK. Passed as reported S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10612-13).

55. DEFENSE PRODUCTION. Passed with amendment S. 2391, to amend and extend the Defense Production Act. Several amendments, to prohibit without-compensation employees, were rejected. House and Senate conferees were appointed. (pp. 10620-30, 10774-5).

56. SUGAR. Passed, 194 to 44, with amendments H. R. 7030, to amend and extend the Sugar Act of 1948 (pp. 10630-51). Agreed, 123-37, to an amendment by Rep. Dixon to strike out Sec. 20 of the committee version, which provides that sugar shall be supported at 90% of parity through loans, purchases, or other operations (pp. 10645-51). Agreed to an amendment by Rep. Laird to strike out provisions directed at Peru and the Philippines (pp. 10644-5).

57. SUPPLEMENTAL APPROPRIATION BILL, 1956. Both Houses agreed to the conference report on this bill, H. R. 7278, and acted upon amendments in disagreement (pp. 10554-9, 10733-5). This bill will now be sent to the President. A statement on the USDA items is attached to this Digest.

the words "Federal Employees Pay Act of 1945."

SEC. 2. Section 432 (g) of title 14, United States Code, is amended by amending the first sentence thereof to read as follows: "The head of the department in which the Coast Guard is operating, under regulations prescribed by him, may regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard, but such personnel may be called upon for duty in emergency circumstances or otherwise at any time or all times."

SEC. 3. The analysis of chapter 13 of title 14, United States Code, is amended by inserting in such analysis, the following item:

"511. Compensatory absence of military personnel at isolated aids to navigation."

SEC. 4. Chapter 13 of title 14, United States Code, is amended by inserting a new section as follows:

"§ 511. Compensatory absence of military personnel at isolated aids to navigation

"The head of the department in which the Coast Guard is operating, under regulations prescribed by him, may grant compensatory absence from duty to military personnel of the Coast Guard serving in lightships and at lighthouses and other isolated aids to navigation of the Coast Guard when conditions of duty result in confinement because of isolation or in long periods of continuous duty."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7379) was laid on the table.

AMENDMENT OF RAILROAD RETIREMENT ACT AND RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, lines 4 and 5, after "appointed", insert ", except one administrative assistant to each member of the Board."

Page 3, line 11, after "appointed", insert ", except one administrative assistant to each member of the Board."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ADJUSTMENT OF OBLIGATIONS OF SETTLERS ON CERTAIN PROJECTS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on projects developed under the Act of August 11, 1939, as amended (16 U. S. C. 590y-z), or similar projects under the water conservation and use item of the Department of the Interior Appropriation Act, 1940, as amended (53 Stat. 719), of the type incurred in accordance with section 5 of said act (16 U. S. C. 590z-3), or other obligations to or administered by the Secretary of Agriculture incurred in connection with the development or operation of the project unit, and the Secretary is authorized to make such additional adjustments in the terms and conditions and amounts of any such obligations of such persons or in the price at which project units are sold to settlers as may be reasonably necessary to permit such persons to acquire, develop, and establish successful farming operations on their farm units and repay such adjusted obligations.

With the following committee amendments:

Page 1, line 6, following the words "settlers on", insert "the Angostura."

Page 1, line 6, strike out the word "projects" and insert the word "project" and add the words "in South Dakota."

Page 1, line 8, following the parenthesis strike the comma and insert in lieu thereof a period, and strike the balance of the bill.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR HOUSING PROJECTS, NORFOLK, VA.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2351) to authorize the conveyance of certain war housing projects to the city of Norfolk, Va.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized to sell and convey at fair market value as determined by him on the basis of an appraisal made by an independent real estate expert to the city of Norfolk, Va., or to the Norfolk Redevelopment and Housing Authority, or to any agency or corporation established or sponsored in the public interest by such city, all of the right, title, and interest of the United States in and to War Housing Project VA-44075 and War Housing Project VA-44184, or either of them. Any sale pursuant to this authorization shall be on such terms and conditions as the Administrator shall determine, and the amount received for each project shall be reported by the Administrator to the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives.

SEC. 2. The authority conferred by this act shall terminate 6 months after the date of its enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7073) was laid on the table.

POLITICAL ACTIVITIES BY GOVERNMENT EMPLOYEES

Mr. BEAMER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3084) to amend certain provisions of the laws relating to the prevention of political activities to make them inapplicable to State officers and employees.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. BEAMER]?

Mr. HAGEN. Mr. Speaker, I object.

BONDING OF CIVILIAN AND MILITARY PERSONNEL OF FEDERAL GOVERNMENT

Mr. MURRAY of Tennessee. Mr. Speaker, I call up the conference report on the bill (H. R. 4778) to provide for the purchase of bonds to cover officers and employees of the Government, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. MURRAY]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 28, 1955.)

The conference report was agreed to. A motion to reconsider was laid on the table.

OUR OF MEETING ON MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday at 10 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATHANIEL ROSS MOORE

Mr. LANE. Mr. Speaker, I ask unanimous consent that the bill (H. R. 2043) for the relief of Nathaniel Ross Moore which was on the Private Calendar No. 791, today, be recommitted to the Committee on the Judiciary for the reason that general legislation has already been passed and signed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FRANCES IRENE SMART

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate con-

sideration of a private bill which was passed over this morning for the reason that the report was not available, the bill (H. R. 1513), Private Calendar No. 777, for the relief of Frances Irene Smart.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Mr. Speaker, reserving the right to object, has the gentleman cleared this bill with the Private Calendar Committee of Objectors.

Mr. LANE. I understand that they had no objection to it except that the report was not available.

Mr. MARTIN. I believe the gentleman had better confer with them, however.

Mr. AVERY. Mr. Speaker, further reserving the right to object, I might also tell our distinguished minority leader that the Objectors' Committee has not even seen the report.

Mr. LANE. Mr. Speaker, I withdraw the request.

AMENDING VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2081) to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training.

The Clerk read as follows:

Be it enacted, etc., That the first sentence of subsection (d) of section 232 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 942) is hereby amended to read as follows: "The education and training allowance of an eligible veteran pursuing institutional on-farm training shall be computed at the rate of (1) \$95 per month, if he has no dependent, or (2) \$110 per month, if he has 1 dependent, or (3) \$130 per month, if he has more than 1 dependent; except that his education and training allowance shall be reduced at the end of the third, and each subsequent, 4-month period as his program progresses by an amount which bears the same ratio to \$65 per month, if the veteran has no dependent, or \$80 per month, if he has 1 dependent, or \$100 per month, if he has more than 1 dependent, as 4 months bears to the total duration of such veteran's institutional on-farm training reduced by 8 months."

SEC. 2. The amendment made by this act shall take effect as of the first day of the second calendar month which begins after the date of its enactment, but for the purposes of computing education and training allowances to be paid after such first day, such amendment shall be deemed to have been in effect since July 16, 1952.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

A second was considered as ordered.

Mr. TEAGUE of Texas. Mr. Speaker, this bill should only take a few minutes. Under the present law, a veteran training under the farm program under Public Law 550 has his allowance from the Federal Government reduced every 4 months. It is the opinion of the people

dealing with this legislation that that is very unrealistic, and that a veteran under the farm program should not have this money reduced at least until the end of a crop cycle or an animal cycle.

This bill is identical to the bill H. R. 4006, which was reported unanimously from the Committee on Veterans' Affairs on June 22 and on which a rule has been granted by the Rules Committee. Mr. Speaker, Mrs. ELIZABETH KEE, of West Virginia, introduced H. R. 4006 and she is chairman of the Committee on Education and Training. I wish to compliment Mrs. KEE, Congressman ED EDMONDSON, of Oklahoma, Congressman B. F. SISK, of California, Congressman WILLIAM AYRES, of Ohio, and Congressman ROSS ADAIR, of Indiana, for their work in behalf of this bill. Every veteran group supported the bill, the Veterans Administration supported the bill, and we have had many, many requests from all over the United States for the enactment of this bill.

Under the existing law—Public Law 550, 82d Congress—a veteran of the Korean conflict taking on-farm training has his training allowance reduced at the end of each 4-month period.

Administration of this act shows that the veteran taking this type of training should be allowed at least one animal- or crop-production cycle before the reduction formula begins to operate.

Hearings were held on this proposal before the Subcommittee on Education and Training and, as I have indicated, the bill was reported unanimously by our committee, as well as the Senate committee.

The cost to the Government for enactment of this bill would be \$324 per trainee for a 36-month course. The overall cost for the next 5 years is as follows:

Fiscal year:	H. R. 4006 (suspend— 12 months— farm)	
1956.....	\$3,500,000	
1957.....	4,000,000	
1958.....	4,000,000	
1959.....	3,500,000	
1960.....	3,000,000	

The effect on the individual veteran as a result of the enactment of this proposal would be as indicated in the table below:

Months in training	Public Law 550, 82d Cong.	H. R. 4006, 84th Cong.
1 to 4.....	\$130	\$130
5 to 8.....	118	130
9 to 12.....	107	130
13 to 16.....	96	115
17 to 20.....	85	101
21 to 24.....	74	87
25 to 28.....	63	72
29 to 32.....	52	58
33 to 36.....	41	44

There are 34,196 veterans enrolled in the program.

It should be noted that the Veterans' Administration is in favor of the bill as reported by the committee.

All this bill does is to provide for a 12-months' delay in reducing the veterans' allowance.

Mrs. KEE. Mr. Speaker, after careful consideration the Veterans' Affairs Committee unanimously reported H. R. 4006, a bill to amend the Veterans' Readjustment Assistance Act of 1952. This bill provides that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training.

The purpose of this proposed legislation is to modify the so-called automatic reduction formula applicable to on-job and on-farm trainees enrolled under the Veterans' Readjustment Assistance Act of 1952, as amended.

The automatic reduction formulae establishes the rates of education and training allowances for apprenticeship and other training on the job and for institutional on-farm training, and provides for such allowances to be reduced at the end of each 4-month period as the veteran's training progresses.

However, it has been clearly shown that this formula as applicable to on-farm training does not take into account the realities of farming operations because on-farm trainees cannot ordinarily anticipate income from their farms until the end of a crop or marketing cycle which is usually near the end of their first year of training.

This bill retains the principle of the automatic reduction formula intact, but would merely modify the formula applicable to on-farm training so as to suspend all reductions during the initial 12 months' training. This is reasonable and stimulates the veteran to progressive self-improvement during the period of training to the end that he will become sufficiently self-sustaining by the completion of his training program so as to continue with his farming operation.

In this connection, Mr. Speaker, I wish to especially thank the members of the Veterans' Affairs Committee's Subcommittee on Education and Training for the diligent manner in which they reviewed and studied this question. I wholeheartedly join with them in urging the House of Representatives to pass this bill today.

Mr. SISK. Mr. Speaker, I want to strongly urge the Members to pass this bill so that we may have a practical, workable on-farm training program for veterans who want to go into farming as a life career and so that they may have benefits comparable to those already enjoyed by other veterans who choose education for other pursuits.

I introduced a bill which is identical with that now before you, as did other Members. They were carefully considered in the Committee on Veterans Affairs and were favorably reported out with the endorsement of veteran organizations, the Veterans' Administration and many State directors of vocational training.

The fact of the matter is that many veterans now cannot go into this program because the schedule of subsistence allowances is unrealistic and will not provide for their needs until they are able to harvest their crops and obtain income from them.

This bill would postpone quarterly reductions in allowances for a period of 12

84TH CONGRESS
1ST SESSION

S. 1621

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 1955

Referred to the Committee on Agriculture

AN ACT

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the provisions of sections 41 (g), 43, and 51 of the
4 Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C.
5 1015 (g), 1017, and 1025), are hereby extended to apply
6 on the obligations of settlers on projects developed under
7 the Act of August 11, 1939, as amended (16 U. S. C.
8 590y-z), or similar projects under the water conservation
9 and use item of the Department of the Interior Appropriation

1 Act, 1940, as amended (53 Stat. 719), of the type incurred
2 in accordance with section 5 of said Act (16 U. S. C.
3 590z-3), or other obligations to or administered by the
4 Secretary of Agriculture incurred in connection with the
5 development or operation of the project unit, and the Secre-
6 tary is authorized to make such additional adjustments in
7 the terms and conditions and amounts of any such obliga-
8 tions of such persons or in the price at which project units
9 are sold to settlers as may be reasonably necessary to permit
10 such persons to acquire, develop, and establish successful
11 farming operations on their farm units and repay such
12 adjusted obligations.

Passed the Senate July 22, 1955.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

JULY 25, 1955

Referred to the Committee on Agriculture

SENATE

17. FORESTS. Sen. Goldwater spoke in support of S. 55, to authorize the USDA to acquire certain forest lands from the Aztec Land & Cattle Co. He suggested that certain lobbying activities of the National Lumber Manufacturers Association were preventing favorable action on the bill by the House, and inserted several letters from interested parties supporting that contention (pp. 10844-6).
18. RESEARCH. Sen. Smith, N. J., inserted a newspaper article by Dr. A. T. Waterman commenting favorably on efforts by the Government and private industry to expand the educational facilities for students interested in science (pp. 10847-8).
19. BUDGET. Sen. Goldwater inserted a table detailing the budget surpluses and deficits of Congresses from 1946 to 1955 (pp. 10849-51).
20. SUGAR. Sen. Fulbright objected to consideration of H. R. 7030, the sugar bill, upon its second reading because it was believed that the importance of the bill would seem to warrant greater consideration than the closing hours of the session would permit. Sen. Thye rejoined that the legislation was needed for emergency matters (pp. 10851-2, 10877). Sen. Long served notice that he would ask for a suspension of the rules in the consideration of H. R. 7030, without reference of the bill to the Senate Finance Committee; and Sen. Douglas questioned the propriety of that procedure (pp. 10920-1). Sen. Long submitted an amendment to be proposed by him to H. R. 7030, and it was ordered to be printed (p. 10948).

The Finance Committee ordered favorably reported S. 1635, to amend and

 1. extend the Sugar Act of 1948, after striking all after the enacting clause and substituting the language of H. R. 7030, with the following changes: "The formula for future growth to be 55 percent for domestic and 45 percent for foreign; the foreign quota to be divided on basis of 60 percent to Cuba and 40 percent to be divided among full-duty countries proportionately on basis of their sales of sugar in U. S. market during last 4 years; benchmark to be 8,300,000 tons; and a 6-year extension in lieu of 4 years."
21. HOUSING. Received and agreed to the conference report on S. 2126, the housing bill (pp. 10906-11). The conferees agreed to continuation of the present farm-housing program through the fiscal year 1956, with \$112 million available for direct loans, to prevent defaults in payments on loans for potentially adequate farms and for the improvement and repair of farms.
22. FORESTRY CONSERVATION. Sen. Clements inserted the remarks of Sens. George and Magnuson on the practices of conservation by private industry, the U. S. Forest Service, and State agencies. Sen. Magnuson commended the activities of the Rayonier Corporation in the field of conservation and suggested that conservation should be construed to mean adequate and planned utilization of forests and forest products (pp. 10929-31).
23. ECONOMIC DEVELOPMENT. Sen. Watkins inserted two articles prepared by himself citing the achievements of the U. S. economy in the second quarter of 1955 (pp. 10938-41).
24. EXTENSION WORK. Concurred in the House amendment to S. 2098, to authorize special appropriations for extension work among low-income farmers (pp. 10883-4). This bill will now be sent to the President.

25. EXPERIMENT STATIONS. Concurred in House amendments to S. 1759, to consolidate authorization legislation regarding aid to State agricultural experiment stations (p. 10884). This bill will now be sent to the President.
26. MARKETING. Concurred in House amendments to S. 1757, to amend the Agricultural Marketing Act of 1946 so as to remove any question which may have resulted from a change in appropriation language as to the applicability of penalties for forgery of inspection certificates covering agricultural commodities, and to expand and tighten provisions for such penalties (p. 10884). This bill will now be sent to the President.
27. FARM LOANS. Concurred in House amendments to S. 1621, to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed under or subject to the Wheeler-Case Act of 1939 (p. 10882). This bill will now be sent to the President.
28. PERSONNEL. Received and agreed to the conference report on S. 1041, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States (p. 10913). House and Senate conferees had been appointed earlier in the day (pp. 10877, 11005). The conferees agreed to the House amendments to the bill.
- Concurred in House amendments to S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (pp. 10882-3). This bill will now be sent to the President.
- Concurred in House amendments to S. 1792, to amend the Federal Employees Group Life Insurance Act of 1954 so as to authorize the assumption of the insurance obligations of any nonprofit association of Federal employees (p. 10882). This bill will now be sent to the President.
- Passed with amendment H. R. 7618, to increase the annuity benefits of retired Federal employees by 12% on the first \$1,500 and 8% thereafter up to \$4,000, with a gradual reduction in the increases until they end on Dec. 31, 1957 (pp. 10853, 10902, 10912, 10924-6).
- Agreed to the conference report on H. R. 4048, making recommendations to the States for legislation to permit and assist Federal personnel to vote (pp. 10899, 10901-5).

S. 2628, the executive pay bill, provides as follows as reported by the committee:

Provides specific salaries for various officials, including: Secretary of Agriculture, Director of Office of Defense Mobilization, and Director of the Budget, \$25,000; 2 Administrative Assistants to the President, and Comptroller General, \$22,500; Administrator of Veterans' Affairs, \$22,000; 3 Administrative Assistants to the President, Under Secretary of Agriculture, Administrator of General Services, Director of International Cooperation Administration, Administrator of Federal Civil Defense Administration, and Governor of FCA, \$21,000; Assistant Comptroller General, Deputy Director of Budget Bureau, Chairman of Civil Service Commission, and members of Council of Economic Advisers, \$20,500; 7 Administrative Assistants and staff assistants to the President, 3 Assistant Secretaries of Agriculture, Fiscal Assistant Secretary of the Treasury, members (other than chairman) of Civil Service Commission, Deputy Administrator of General Services, Archivist, Administrator of Production and Marketing Administration, Administrator of REA, Public Printer, Librarian of Congress, each Assistant Director of Budget Bureau (2), Director of National Science Foundation, and General Counsel (or other comparable officer) of a department when required to be appointed by the President, \$20,000; Commissioner of Federal Supply Service, Commissioner of Public Buildings Ser-

I joined with all his other colleagues in wishing him a very pleasant trip home. I am quite certain that after he and the others of us have rested our bodies and our minds during the adjournment period, he and we will come back invigorated in mind and body, to render whatever service may be required in the next session and in the years to come.

I hope Senator GEORGE will be with us in the next session and for many sessions to come.

Mr. McCLELLAN. Mr. President, I just walked into the Chamber and heard some remarks concerning our distinguished colleague, the senior Senator from Georgia. I was somewhat perturbed at first; I thought perhaps the Senator had made some announcement which might have carried greater significance than the remarks I had heard.

I wish to associate myself with the sentiments which have been expressed by the distinguished junior Senator from Kentucky [Mr. BARKLEY].

I have frequently had occasion to say in public addresses in my State, and on other occasions privately, that no State in the Union is more ably represented in the Senate than is the State of Georgia. I take occasion to say that again on the floor of the Senate this afternoon.

Never is a question of vital importance to this Nation being discussed that I do not listen intently to the words of wisdom and counsel which are uttered by the distinguished Senator from Georgia. Often I am persuaded to defer, possibly, my hasty judgment to his well-considered opinions and the counsel which he gives us.

I join with other Members of the Senate in wishing him a happy and pleasant vacation. I trust he will return to the next session of Congress, early next year, with full vigor and in the spirit which he has manifested in the past, to carry on and continue to make great contributions to the security of our Nation and to the destiny of our public welfare.

Mr. THURMOND. Mr. President, the people of South Carolina are neighbors of the people of Georgia. The people of South Carolina look upon the distinguished senior Senator from Georgia with respect and esteem. They greatly admire him for having provided the American people with outstanding leadership. It is my wish that Senator GEORGE will improve in health and will have a speedy recovery by next year.

Mr. NEUBERGER. Mr. President, I wish to join in the tributes to Senator GEORGE. I should like to add a short personal comment.

One of the things I discovered when I came to the Senate was that I had much to learn. I particularly had a great deal to learn in the field of foreign policy. Whenever I have gone to Senator GEORGE and asked for information or enlightenment in the field of foreign policy, I have found him to be more than courteous, more than patient, and more than kind in answering some of my questions, which occasionally must have seemed very primitive and elemental to him. I am grateful to him for

his wise counsel to a freshman Senator. I hope he may return to us in the best of health.

A great President once said it is not a question whether a man is old in years; it is whether he is young in heart. I think Senator GEORGE lives up to that description.

Mr. CASE of New Jersey. Mr. President, as a very junior Senator, it is my honor to pay respect and tribute to the distinguished senior Senator from Georgia. He has given to this body a great distinction and prestige. As a new Member of the Senate, I am honored to be one of his colleagues. He has meant much to our country.

All of us, under the leadership of our great President, hope that we have at last turned the corner, so far as the foreign situation is concerned. The contribution which has been made by the senior Senator from Georgia to the administration and to the country in turning that corner is of incalculable value.

We earnestly hope that the Senator from Georgia will return to the Senate next year, restored in vigor and able to render again, during the next session of Congress, the same kind of service to the country and to us as individual Members of the Senate that he has rendered in the past.

Mr. KUCHEL. Mr. President, the President of the United States has correctly stated that the basic goal of the Government of this Nation is the security of the American people in a just and honorable peace. The senior Senator from Georgia [Mr. GEORGE] has contributed magnificently to the strides which have been taken towards the achievement of that goal.

I have been a Member of the Senate for 2½ years, and I have listened during that time to the debates with respect to foreign policy. It has been thrilling to me as an American citizen to see a majority of the Members of the Senate, on both sides of the aisle, unite as Americans on questions of foreign policy, and on a basis of what is best for the American people, and not on a basis of partisan concern. I have sat here and listened to the distinguished senior Senator from Georgia speak upon occasion and change the minds of Members of the Senate by his logic and his patriotism and his powers of persuasion, too.

On a personal basis, I wish to mention the great pride I have in being able to refer to the senior Senator from Georgia as a friend who has on occasion given me the benefit of his counsel, and who has, together with his wife, been so very generous to my wife and to me.

So let me, too, join with all my seniors who have preceded me on this occasion, to wish for the Senator from Georgia and for the Nation many more years of additional honorable and highly patriotic service by him in the United States Senate, where his has been the great force of leadership in a field in which I am sure most of the American people—the overwhelming majority—see eye to eye.

Mr. HILL. Mr. President, I wish to join in the tributes which have been paid to the Senator from Georgia as a great American and a great statesman, and for

his magnificent service to our country and to the peoples of the free world.

As his neighbor, living in the adjoining State of Alabama. I particularly wish to mention the invaluable service he has rendered to his own people, the people of Georgia. As I know so well, year in and year out the senior Senator from Georgia has labored, toiled, and worked for his people, ably and effectively, has been in his service to them through the years.

Whether it has been the cause of vocational education, whether it has been the cause of the large or small farmer, whether it has been the cause of the businessman or laboring man, the white collar worker, or the big industrialist, the Senator from Georgia has always worked and fought to promote the interest and the welfare and the advancement of the people of the State of Georgia.

Surely no people could feel a greater sense of pride than rightfully should be that of the people of Georgia in the fact that through the years they have had in the Senate one who has served them, not only with great distinction in connection with the foreign affairs of the United States, but who has served them with such great devotion and such indefatigable effort at all times, and, most of all, with such tremendous effect.

Mr. HUMPHREY. Mr. President, the request of the distinguished Senator from Georgia for leave of absence from the Senate before adjournment has given many of us the chance to speak, who have looked for this opportunity to say a few words from our hearts concerning this great American.

The Senator from Georgia is to the United States Senate a bulwark of strength. He has represented the finest traditions of this great deliberative body, and he has always been an effective force in building up our own domestic economy and the strength of the free world.

The Senator from Georgia has occupied many important roles in the Senate, but none has been more important to mankind than has his chairmanship of the Committee on Foreign Relations. It has been my privilege, as one of the junior members of the committee, to serve with him for almost 3 years. This is a service that is not only one of participation, but one of education.

The Senator from Georgia is more than a chairman of a great committee. He is a profound and effective statesman. This great statesman has done something for our country in recent months that American citizens throughout the land have longed for. The truce in Korea brought an end to the shooting war. The proposal of the Senator from Georgia for a Big Four Conference has brought an end to a shouting war. And when leaders of nations cease shouting at one another, they have an opportunity to think together and to plan for a society in which men and women can live in peace and tranquillity and justice.

I wish to say to my good friend—and he is just that—that he has stood as a symbol of military strength at a time when military strength was needed. He has led the fight in the Senate for economic strength at home and abroad,

many times taking the very difficult task of piloting through this Chamber programs which involved billions and billions of dollars for the assistance of the national security of ourselves and others.

The Senator from Georgia is a man of peace, a man of peace with honor, a peace that does not in any way abrogate our principles of freedom and justice as we know those principles to be.

I think it is fair to say that in recent months we have been off dead center in the field of diplomacy because of the courage and leadership of the Senator from Georgia. When some of us felt too timid to speak up, this brave man spoke up. When there were those who thought something might be done, this man not only thought about it but he acted.

The conferences which have occurred in recent months are directly attributable to the leadership of the Senator from Georgia, a leadership that broke through the prejudices, passions, and emotions of the hour.

Mr. President, as a citizen of the United States and an associate of the Senator from Georgia in the United States Senate, I wish to pay him tribute and honor for leading us at least into the hallway which gives a flickering light taking us out of the shadows of darkness to at least the possible dawn of a new day.

I know the Senator from Georgia has not expected his colleagues to rise and pour forth their heartfelt sentiments concerning him; but I wish to say that if the distinguished Senator from Georgia were not in this body, the Senate would not be the place it is and the place it should be. Even a short absence from the Senate by the Senator from Georgia leaves a great vacuum and void in our midst.

I wish for him the very best of all that is in life, Mr. President. I assure him that, so far as I am concerned, I have considered it a high honor and a great privilege to share in his friendship, to participate with him in the deliberations of this body, and to serve with him on the committee of which he is chairman. I know of no greater honor one could have.

Mr. SMATHERS. Mr. President, when our very great majority leader, the distinguished Senator from Texas [Mr. JOHNSON]—as all of us know who now lies ill in the Naval Hospital at Bethesda, Md.—heard that the Senator from Georgia had asked permission to leave the Senate one day early, and that his colleagues were paying much deserved tribute to this great American, the Senator from Texas immediately dictated to his loyal and charming wife a statement praising the Senator from Georgia. The Senator from Texas asked that unanimous consent be requested to have the statement in the RECORD so that he might make known his personal affection and great admiration for the Senator from Georgia. Therefore, Mr. President, I ask unanimous consent that this statement of our majority leader be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

The statement is as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

It would be difficult to find adequate language in which I could fully express my feelings of esteem and affection for the President pro tempore of the Senate, WALTER F. GEORGE, of Georgia.

For the past 3 sessions of Congress, it has been my privilege to occupy the desk adjoining that of this great leader. I have consulted him frequently—in fact, almost daily; and I have been the beneficiary of his wise and generous counsel.

There is in Senator GEORGE the authentic greatness that characterizes the statesmen whose names live through the ages. He is a prime mover in the great events that are changing the face of the world, and his stamp is indelibly impressed upon our times.

In a very real sense, he has shaped the foreign policies of our country as much as has any other man. A whole nation has felt a reassuring sense of relief because of the fact that his voice is heard with respect in the highest councils of State.

But my own emotions go far beyond the admiration which every American feels for this honored, senior statesman. They are also based upon a deep feeling of affection for a beloved friend who has guided my footsteps over many difficult and dangerous paths.

To me, he has been a mentor and friend; to his State, an able and effective advocate; to his Nation, a wise and farseeing counselor. And when the final chapter on these troubled times is written, the name of WALTER F. GEORGE will be on every page as the man of vision who did as much as any other to point the way to peace and prosperity for ourselves and our posterity.

AMENDMENT OF FEDERAL EMPLOYEES GROUP LIFE INSURANCE ACT

Mr. JOHNSTON of South Carolina. Mr. President, there is at the desk a highly privileged matter. S. 1792 has come back from the House with a few corrections of errors in the bill. I ask that the amendments of the House be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill from the Senate (S. 1792) to amend the Federal Employees' Group Life Insurance Act of 1954, which were, on page 2, after line 21, insert:

SEC. 2. (a) Section 6 of said act is amended to read as follows:

"SEC. 6. Each policy purchased under this act shall contain a provision, in terms approved by the Commission, to the effect that any insurance thereunder on any employee shall cease upon his separation from the service or 12 months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission, except that if upon such date as the insurance would otherwise cease the employee retires on an immediate annuity and (a) his retirement is for disability or (b) he has completed 15 years of creditable service, as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him in the amounts for which he would have been insured from time to time had his salary payments continued at the same rate as on the date of cessation. Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required

15 years provided the employee has completed at least 5 years of civilian service."

(b) The amendments made by subsection (a) shall be effective as of August 17, 1954.

On page 2, line 22, strike out "2" and insert "3", and page 4, line 5, strike out "3" and insert "4."

Mr. JOHNSTON of South Carolina. I move that the Senate concur in the House amendments. They are of a technical nature.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to.

ADJUSTMENT OF CERTAIN OBLIGATIONS OF SETTLERS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1621) to authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the act of August 11, 1939, as amended, and for other purposes, which were, on page 1, line 6, strike out "projects" and insert "the Angostura project in South Dakota," and on page 1, line 8, strike out all after "590y-z)" over through and including "obligations" in line 12, page 2.

Mr. ELLENDER. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana [Mr. ELLENDER].

The motion was agreed to.

Mr. MUNDT. Mr. President, I wish to congratulate the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], for the expeditious manner in which the bill has been approved in conference. The bill corrects an injustice in connection with irrigation farming in the State of South Dakota on the Angostura project, which is primarily of importance to war veterans. Our entire South Dakota congressional delegation has been working hard to have this bill approved before adjournment and I am grateful to the Senator from Louisiana for his help in bringing the legislation to fruition. I spoke to him again only a few minutes ago about its urgency and he has acted with his usual dispatch by bringing it to the floor immediately.

GRANTING OF CERTAIN APPOINTMENTS TO INDEFINITE EMPLOYEES IN CIVIL SERVICE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1849) to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment, which were, to strike out all after enacting clause and insert:

That the appointment of each employee of the Federal Government or the municipal government of the District of Columbia who—

Public Law 270 - 84th Congress
Chapter 630 - 1st Session
S. 1621

AN ACT

All 69 Stat. 552.

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on the Angostura project in South Dakota developed under the Act of August 11, 1939, as amended (16 U. S. C. 590y-z). 60 Stat. 1065,
1067, 1070.
53 Stat. 1418.

Approved August 9, 1955.

